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RAILWAY... Lovell... FOR CONSTRUCTION

Sp... 12

MAN IN WOOL... Drummond's... Suits... ask your tailor!

NEWS SUMMARY

gain... worry... ver... ganda... ritons

years arose yesterday for... 400 Britons and... Ugandans

Under plans circulating in the... nuclear industry, the power... station would have a two-tier... management structure

Mr. Benn is likely to face a... struggle with some Cabinet... colleagues over his approval of... a 10 per cent gas price rise

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Leyland falls £30m. short of target after loss on cars

BY TERRY DODSWORTH and CHRISTIAN TYLER

British Leyland's car group had failed to make the financial recovery required by the Government long before the eruption of the present toolmakers' strike, figures due for publication on Friday indicate.

The disappointing results from already occurred, getting out of the company's troubled car losses much more swiftly than they are doing.

But the major part of the £120m loss of 1976 was due to the international group, which reaped the benefit of sterling's devaluation.

Nevertheless, it has been apparent for some time that senior Leyland executives have been worried about the financial trends in the car group as well as the patchy record of industrial relations in the last 18 months.

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Inchcape \$25m. Eurobond issue

BY KEITH LEWIS

INCHCAPE, the international trading group headed by the Earl of Inchcape, is to raise \$25m. on the Eurobond market through a convertible issue.

The new Inchcape bond-dated 1992 and to be issued by Inchcape (Bermuda), a wholly-owned subsidiary—are expected to carry a coupon of 7 per cent.

The Inchcape issue, which is seen as an indication of the revival of international confidence in the U.K., is accompanied by a profits forecast and news that the Treasury has granted Inchcape exemption from current U.K. dividend control legislation.

Inchcape, whose interests range over general merchanting, distribution, timber and construction, insurance broking, engineering and marine operations, derives over 80 per cent of its profits from outside the U.K.

The relaxation in dividend policy will allow the Board to establish dividend policy by reference to normal commercial criteria.

The group is forecasting pre-tax profits of £72.5m. for the year ending March 31, 1977, which compares with £57m. in the previous 12 months.

The scheme was designed as a successor to the accelerated projects scheme but broadened so as to include, at the Department's discretion, any project costing more than £500,000 which might not have gone forward in the absence of Government funds.

It is based on flexible negotiation between the Government and the individual companies and offers interest-relief grants and other assistance.

The scheme is considered the most important part of the Government's aid-in-industry package.

By far the most successful of the industry aid schemes, that for the ferrous foundries, has now closed for applications.

The Department said at the week-end that it had resulted in 152 applications being approved for assistance of £31.5m. towards projects representing a total investment of £145m.

Several additional applications are still being considered.

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French Left gains in local elections

BY ROBERT MAUTHNER

PARIS, March 13. FRANCE'S OPPOSITION Union of the Left, grouping the Socialists, Communists and Left-wing Radical parties, tonight made substantial gains in the first round of the municipal elections.

But these fell short of a landslide, according to first results and computer projections.

Throughout the country the Union of the Left appeared to have made gains of about 4 per cent, and was estimated to have won in the region of 82 per cent of the total vote against the ruling coalition parties' 46 to 47 per cent.

In Paris, the gamble by M. Jacques Chirac, the Gaullist leader, who split the Government coalition by his decision to run against President Giscard d'Estaing's candidate, M. Michel d'Ornano, the Industry Minister, looks like coming off.

The former Premier's lists were leading those of M. d'Ornano in most of the capital's constituencies, but in his own district M. d'Ornano himself was well ahead of M. Chirac's candidate, though trailing the Socialists by a very large margin.

The swing to the Left, particularly to the Socialist Party was surprisingly strong in the west of the country, traditionally a conservative stronghold.

The Left ousted mayors belonging to the Government coalition parties in a number of major Norman and Breton towns such as Le Havre, Brest and Cherbourg.

In the east of the country, the champagne capital of Rheims changed hands and went Communist after 18 years of Gaullist local rule.

M. Gaston Defferre, the deputy leader of the Socialist Party, was in a strong position in his fief of Marseilles, where his lists were in the lead in seven out of eight constituencies, while another leading Socialist, M. Pierre Mauroy, was set to win the important northern industrial town of Lille next week.

Paris, long a Gaullist stronghold, was one of the few exceptions to the widespread swing to the Left. But it is likely to remain a bone of contention between the Gaullists and the other coalition parties during the week before the vital run-off.

Though M. Chirac has indicated that his candidates will stand down in favour of M. d'Ornano's lists in the constituencies where they are in a less favourable position, it is not entirely clear whether M. d'Ornano is prepared to make the same sacrifice.

Legally, all lists obtaining at least 12.5 per cent of the vote in towns of over 30,000 can go through to the next round.

The ecologist lists appear to have done well, particularly in the capital but have not picked up enough votes in most cases to go through to the second round. In Paris as a whole they won about 10 per cent of the vote and in one district as much as 16 per cent.

New clashes in Italy as police occupy university

BY PAUL BETTS AND DOMINICK J. COYLE

ROME, March 13. FRESH CLASHES between police and demonstrators broke out tonight in Bologna, less than 24 hours after an unprecedented wave of violence had swept across several major Italian cities.

A ban on all public demonstrations was imposed in Rome this afternoon after a night of violence involving an estimated 50,000 youths which left parts of Rome looking like a battlefield.

In an unusual display of unanimity, Italy's main political parties, led by the Christian Democrats and Communists, labelled the rash of violence as a concerted attempt by anarchists to undermine the democratic institutions of the State.

The latest trouble erupted after Bologna University was occupied by police armoured vehicles. The city centre was the scene of battles between crowds of protesters armed with petrol bombs and riot police using tear gas grenades.

At least 100 youths, which hit Rome, Milan, Bologna, Turin, Florence, Palermo, Bari and many other cities, was sparked by mass student demonstrations in protest against the killing of a Left-wing medical student.

The student, Francesco Lorusso, is believed to have been hit by a police bullet during a riot at Bologna University on Friday.

The demonstrations, which started peacefully in most cities, degenerated rapidly into running battles between groups of armed extremists and police.

Several policemen were shot and badly wounded and extensive damage was done to public and private property.

Industry aid scheme has good response

BY KENNETH GOODING, INDUSTRIAL CORRESPONDENT

THE GOVERNMENT'S £100m. selective investment scheme, which aims to encourage companies to embark on major capital projects, is off to a flying start.

Only one month after the formal launch in mid-December, the Department of Industry had received 19 applications for assistance with projects which would involve total expenditure of £5m.

The scheme was designed as a successor to the accelerated projects scheme but broadened so as to include, at the Department's discretion, any project costing more than £500,000 which might not have gone forward in the absence of Government funds.

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Singapore journalist detained

BY OUR FOREIGN STAFF

THE SINGAPORE Government warned Mr. Arun Senkuttuvan, the Financial Times correspondent, prior to his detention in Singapore without trial since February 15, that his citizenship would be revoked, according to his lawyers.

Mr. Senkuttuvan, 34, is a naturalised Singapore citizen of Indian origin and the Singapore Government has the power to revoke his citizenship under the Citizenship Act.

He appeared on Saturday, with Mr. Ramon, a lawyer, at a Government-arranged Press conference which was televised and broadcast on prime television time in Singapore last night.

The two men, who are being held under the Internal Security Act, made statements in which they confessed to anti-Government activities.

Immediately after the Press conference Mr. Ho Kwon-ping, 24, former correspondent for the Hong Kong-based Far Eastern Economic Review and for the Financial Times, was arrested under the Internal Security Act and taken to the offices of the Review.

Statement by the FT

BY OUR FOREIGN STAFF

Mr. Arun Senkuttuvan, correspondent for the Financial Times in Singapore, was detained since February 15 under the Singapore Internal Security Act, which provides for detention without trial of persons acting in a manner prejudicial to the security of Singapore.

No charges have been brought against him by the Singapore Government. We are informed that his lawyers have not been allowed personal access to him though since his arrest they have appealed against the authorities' threat to withdraw his citizenship.

In a statement released by the Singapore Government on Friday Mr. Senkuttuvan said that he had deliberately distorted articles he had published in the Financial Times at the time they were published or since.

We have no means of knowing whether the fact of his detention apart, any pressure has been brought to bear on Mr. Senkuttuvan by the Singapore Government since his arrest.

The articles referred to were evaluated in this office in the normal manner. They were published because we believed at the time that they were accurate as to fact and fair comment. Nothing which has occurred since then has caused us to change this view.

The Singapore Home Affairs Minister, Mr. Lee Kuan Yew, the Singapore Prime Minister, in March last year.

The journalist said he had passed a copy of this tape to a Malaysian contact who said it would reach Datuk Yusoff Osman, the Malaysian Prime Minister.

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Table with columns: FEATURES, JUSTINIAN, FT SURVEY, ON OTHER PAGES. Includes items like African policy, nuclear privacy costs, Leading Articles, etc.

BANQUE EUROPEENNE DE CREDIT BEC EUROPEAN CREDIT BANK. Short-medium and long-term credits at fixed or variable rates in convertible currencies for national and international industrial and commercial investments.

Leningrad Symphony

Leningrad (Seventh) Symphony of Shostakovich is a... example of emotion outpoured in tranquility...

St. John Passion

English movement towards a theistic performance of music has reached an... ant milestone...

Saltarello Choir

Saltarello Choir under Bernardas on Thursday... their voyage through the re-charted choral repertoire...



Brigid Turner, Ralph Nossek, Dave Hill

The Cherry Orchard

The Cherry Orchard is over a play to tire of, but it is surely a mark of an excellent production...

English Chamber Orchestra

At the Festival Hall on Friday, Shella Armstrong was the Haité Orchestra's soprano soloist...

Academy of Ancient Music

Musica Britannica, that most valuable series of scholarly publications of English music...

Arts news in brief

Gimme Shelter, Barrie Keeffe's adviser to the Board of Measement... The Authors' Club award for the Best First Novel...

Arabella

Richard Strauss is popularly connected more with Munich or Vienna than with Berlin...

ENTERTAINMENT GUIDE

Table with columns for OPERA & BALLET, THEATRES, CINEMAS, and ART GALLERIES, listing various events and venues.

International Arts Centre

The International Arts Centre acknowledges with thanks those Organizations who have helped either with finance or products...

Advertisement for Du Pont Overseas Finance N.V., offering guaranteed notes.

OVERSEAS NEWS

Palestinian council may ease way to peace talks

BY ROBERT GRAHAM

CAIRO, March 13.

THE PALESTINIAN National Council, the supreme representative body of the Palestinians, is expected to adopt measures which will leave the door open for eventual participation in a re-convened Geneva peace conference.

Popular Struggle Front who received 69 votes. President Hafez al Assad of Syria is seeking a summit meeting with Soviet leaders, according to reliable Arab diplomatic sources.

Nine to discuss farm price rise

BY ROBIN REEVES

BRUSSELS, March 13.

EEC NEGOTIATIONS which could have considerable influence on the next phase of the U.K. pay policy begin here tomorrow.

Government to maintain its hard line against the Commission's present package. This calls for an average increase in EEC common prices of some 3 per cent.

Amnesty fails to end Basque violence

BY ROGER MATTHEWS

MADRID, March 13.

A MEMBER of Spain's paramilitary Guardia Civil was shot and killed in the Basque town of Mondragon early today, and two colleagues wounded.

Portugal will apply to join EEC this month

BY GUY DE JONQUIERES, COMMON MARKET CORRESPONDENT

BRUSSELS, March 13.

DR. MARIO SOARES, the Portuguese Prime Minister, concluded his tour of EEC capitals this week-end with a forceful reaffirmation of his Government's intention to apply by the end of this month for full membership of the European Community.

Dr. Soares appeared undaunted by recent indications that some EEC governments, notably the French, are stiffening in their attitude towards Portugal's application.

Saudis lag in bid to curb oil price rise

By Richard Johns

RIYADH, March 13.

SAUDI ARABIA lagged further behind last month in its efforts to force down the average increase in the price of oil charged by other members of the Organisation of Petroleum Exporting Countries.

Cool welcome for Gandhi in Uttar Pra

BY DAVID HOUSEGO

LUCKNOW

MRS. GANDHI's student campaign call through her home state of Uttar Pradesh, drew little as yet of rolling back the tide of resentment against Congress unleashed since the announcement of elections.

jobs and wages at the local mills, which are a principal source of employment. Mrs. Gandhi's most attentive listeners were farmers and women brought in from neighbouring districts.

good showing in her home province both to gain a majority in Parliament and also to strengthen her hand in the important bargaining for power between Congress factions after the results have been declared.

But it is far from clear that this depth of sympathy will be matched by a swing in vote intention as early as the next provincial election.

Genscher flies out for talks with Carter

By Adrian Dicks

BONN, March 13.

THE WEST German Foreign Minister, Herr Hans-Dietrich Genscher, flew to Washington today for talks with President Jimmy Carter and Secretary of State Cyrus Vance.

11-HOUR POLICE QUESTIONING of brain haemorrhage

BY PAUL LEADVAI

VIENNA, March 13.

PROFESSOR Jan Patocka, one of the three principal spokesmen of the human rights movement in Czechoslovakia, died today in a Prague hospital from a brain haemorrhage suffered after undergoing 11 hours of interrogation by the secret police.

adventurer" and a man who during World War II advocated "fascist views."

Bhutto di offer refu

By Iqbal Mirza

KARACHI

THE opposition National Alliance has all doors open to a deal with the Government.

Turkey loan

By Merit Munir

ANKARA, March 13.

MR. IHSAN Sabri Caglayan, the Turkish Foreign Minister, today left here for a three-day official visit to the Soviet Union.

The first-ever meeting between a visiting Western statesman and a Czechoslovak dissident overshadowed the visit and became a major embarrassment for the Czechoslovak regime.

Chilean junta dissolves parties

BY HUGH O'SHAUGHNESSY

BUENOS AIRES, March 13.

IN A fierce new political crack-down, Gen. Augusto Pinochet and the Chilean military junta have dissolved the Christian Democratic Party, the conservative National Party, and two smaller right-of-centre groups.

The four parties now banned, all of them in their time strong opponents of the left-wing administration of the late President Salvador Allende, had been "in recess" since the military coup of September 1973.

NEW ZEALAND SECOND ANNUAL REDEMPTION INSTALMENT (Redemption Group No. 1) having fallen due on April 15, 1976. APRIL 15, 1977 in accordance with drawing effected on February 28, 1977 pursuant to the Terms and Conditions.

THE STERLING TRUST, LIMITED An Investment Trust with Trustee Status. Year ended 31st Dec. Total Assets. For each 25p Share Value Earned Paid.

U.K. Mexico trust fund By Bernard Simon. A BRITISH-MEXICAN Trust Fund (Brimex) has been set up to encourage joint business ventures between U.K. and Mexican companies.

WORLD TRADE NEWS Kenana sugar talks suspended

BY ALAN DARBY

KHARTOUM, March 13.

TALKS IN Khartoum on the need for additional finance for Loporo's giant Kenana sugar scheme have been suspended to give shareholders time to appraise the situation.

550,000 tons of sugar a year on an 84,000 acre site 175 miles south of Khartoum has risen from \$850 to at least \$900.

Notice of Redemption Kimberly-Clark International Finance Corporation N.V. 8 1/2% Guaranteed Debentures Due 1986

AMBI-CATPA, AMBI-BECK GRATING, AMBI-PLANER FLOORING. Slip resistant walking surfaces. Mats available ex-stock.

Helene of London Limited Issue of 575,000 12% Convertible Redeemable Cumulative Preference Shares 1977/86 of £1 each at par Yielding The Equivalent of 18.46% gross

Leipzig Fair By Leslie Collitt. BERLIN, March 13. THE SPRING Leipzig Fair, still the largest east-west trade event opens today (Sunday) and runs for one week.

Norwest in Portugal

BY MICHAEL CASSELL, BUILDING CORRESPONDENT

NORWEST HOLST, the building and civil engineering group, has restarted its works programme in Portugal, where three years ago its activities came to a standstill in the wake of the revolution.

numerous other contractors in the country. At the time, it had already sunk about £800,000 of company money into developing its business in Portugal and decided, unlike some other contractors, to freeze its operations rather than pull out permanently.

World Economic Indicators (UNEMPLOYMENT) U.K. (sa) 000s 1,231.4 1,254.3 1,200.0 1,232.5 U.S. (sa) 000s 7,183.0 4,958.0 7,519.0 7,126.0 W. Germany 000s 1,213.7 1,248.9 1,089.9 1,346.7

Notice of Redemption Kimberly-Clark International Finance Corporation N.V. 8 1/2% Guaranteed Debentures Due 1986. NOTICE IS HEREBY GIVEN that, pursuant to the provisions of the Indenture dated as of April 15, 1971...

Handwritten scribble at the bottom of the page.

Handwritten signature: Senkuttuvan

tar Pro

THE SINGAPORE GOVERNMENT AND THE FINANCIAL TIMES

"I DECIDED TO SHOW THAT THE GOVERNMENT HAD BEEN USING VERY UNDEMOCRATIC METHODS TO KEEP ITSELF IN POWER. OF COURSE, I KNEW THIS TO BE UNTRUE."

The statement of Arun Senkuttuvan

General of the Singapore National Union of Journalists, now manages a small property development company. He was arrested in 1963 in "Operation Coldstore"—the biggest ever round-up of alleged communists and sympathisers when 113 people were detained and held without trial. He was released in 1968 after promising not to allow himself to be used by Communists. Tan, a lawyer, was detained for three years and Fernandez, a former trade unionist, was detained in 1964 and his citizenship revoked in 1968 and was released in 1973. Senkuttuvan then refers to several articles in the FEER and two in the Financial Times which, his statement says, were "deliberately distorted" and which suppressed facts to discredit the Singapore Government.

Senkuttuvan goes on: "I discovered that despite Mahadeva's release from detention he did not give up his pro-Communist views and activities. I myself was strongly against the government on matters relating to student activities, freedom of the Press and detention without trial. Raman and Mahadeva were strongly anti-PAP. The People's Action Party has ruled Singapore since 1959. I recognised my anti-government sentiments and encouraged me to do so in expressing myself in my articles. In fact I only required information and not encouragement as I was fully capable of expressing my own views and standing them against the government.

"I deliberately made use of my position as a writer to portray the Singapore govern-

ment as undemocratic, totalitarian, autocratic and oppressive. I relied heavily on half-truths acquired from my discussions with Raman and Mahadeva for my articles for FEER and the Financial Times. My anti-government writings have helped the Communist cause as I intended. The views expressed in my writings were very much in line with the Euro-Communist plot to portray the PAP as Fascist and get it expelled from the Socialist International. The Socialist Party resigned from the Socialist International last year after Dutch socialists and members of the British Labour Party complained about the holding of people without trial in Singapore.

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Government was fascist. I was fully aware that by writing this I would be supporting the Communist cause.

In 1964 the Government introduced "suitability certificates" for entrance to institutions of higher learning. The certificates were issued only after Special Branch clearance and were a prerequisite for enrolment. The then vice-Chancellor of Singapore University was widely reported to have resigned in protest. It was made clear also that students on scholarships and bursaries might lose their grants withdrawn from anti-State views.

In 1975 government introduced the University of Singapore (Amendment) Bill. The reconstituted students union is a group of clubs financed and controlled by the University body other than the political association can engage in or make pronouncements of a political nature, and the University Council has absolute discretion in deciding what constitutes a political matter.

PAP in the previous elections. "The request gave me an opportunity to express my anti-government sentiments. I decided to show that the Government had been using very undemocratic methods to keep itself in power. Of course, I knew this to be untrue. I received help from Raman and Mahadeva who were very anti-PAP. I included more substance to my article, I sought to present it as a critical but objective piece of journalism. Nevertheless I had already made up my mind to show that:

a) There is suppression of opposition political parties (I knew this to be untrue, except in the case of pro-Communist United Front parties, and even so, the Barisan Socialis Party under Dr. Lee Siew chob was allowed to contest.

b) Intimidation of voters (I knew this to be nonsense, but repetition makes a lie appear like truth.

c) Students and workers had to fall in line or they get the stick (I deliberately said this although it had nothing to do with the elections.

Senkuttuvan's statement then quotes extensively from the article which, he says, was deliberately slanted. The statement says the reference to Singapore being a society where people are told what to do (and that those who do well are rewarded but those who do not get the stick) is untrue.

His statement adds that it was untrue to say that the reason for 51 of the 58 constituencies being uncontested in the 1968 election was the atmosphere of fear created by the fact that voters' identities were recorded on the numbered ballot papers.

"I knew that the Barisan Socialis was still under direction to take the struggle to the streets and not to contest elections and not to contest elections through the parliamentary process, and that other opposition parties did not have credible candidates to field," said Senkuttuvan.

Senkuttuvan then refers to the article "Mandate to Fight Communists" in the Financial Times dated December 30, 1976 (also reproduced here in full).

"I often distorted the government motives when giving reasons for arrests of Communist subversive elements, he says. "So when the Foreign Minister made the statement after the elections that the result was a mandate to fight the Communists and pro-Communists, I twisted his statement. I said in my article, the government's definition of 'pro-Communists' rather wide and includes not only those who call themselves socialists, but sometimes also liberals. Shamsuddin Tuog's arrest gave me a choice to hit at the government. I linked the mandate to prove my point, and to show that the government was actually using the word 'Communist' to detain political opponents. I knew that Shamsuddin Tuog was detained for different purposes, if he tried to stir up chauvinism by raising the issue of Chinese culture, education and language being killed. This distortion was done to discredit the government's statement. Now I know that Shamsuddin Tuog did this as part of a black operation in conjunction with Leong Mun Kwee and both were probably paid to do this."

[Shamsuddin Tuog is a Muslim Chinese who in the recent elections headed the United Front Party. Tuog was chief editor of the Nanyang Siang Pau, a big Chinese language newspaper. He was arrested in 1971 under the Internal Security Act for playing the "China chauvinism" to Arun in February.]

Tuog was released in 1973, and re-arrested again just after recent elections allegedly for stirring communal and chauvinist issues.

Leon Mun Iweat, a journalist, made a public confession similar to Arun's in February.

Operation Coldstore

My early impression of the 1963 case was that it was an anti-Communist operation. However, when I knew him better, my opinion changed. I came to know that he was holding strong pro-Communist views. He was associated with ex-Communists who were deeply involved in Communist United Front (CUF) activities. [The CUF is a party but Singapore does not use the phrase to describe Communist government activity.]

He was people like deya, Michael Fernandez, Tan Jin Joo, and a former Secretary

Activities to subvert

Senkuttuvan says he used the views of his contacts to show that there was no democracy in Singapore. "I knew full well," he adds, "that those who were detained were either Communists or deeply involved in the CUJ activities to subvert the government."

"The following sentences," Senkuttuvan says reflected Raman's view which he readily included in an article for the FEER: "It's (Singapore's) social cohesion has not been achieved without the sacrifice of certain individual

Opportunity to express

Senkuttuvan then refers to the article (reproduced below) entitled "A tale of carrot and stick" which appeared in the Financial Times on December 21, 1976. "This article was requested by David Housego, Asia Correspondent of the Financial Times. He wanted me to explain why a section of the electorate voted against the

Civil rights and the law

maximum of 24 strokes may be ordered by the courts. Singapore abolished trial by jury for capital offences in 1969. Trial by jury in cases other than for capital offences, was abolished in 1959.

Amnesty International says it knows of no political prisoners who have been tried before being jailed specifically on political charges. Prisoners are detained without trial on one basic allegation. That they are members or sympathisers or supporters of some branch of the illegal Communist Party of Malaya and thus pose a threat to national security. Release from detention often comes after a confession and a recantation of communist sympathies, though some are tried on non-political grounds. Recently this has taken the form of televised Press conferences which are preceded by written confessions, others are often implicated.

Leaders of parties who oppose the People's Action Party (PAP) in general elections have been detained. They have also in some cases been personally sued by Prime Minister Lee Kuan Yew for libel. The People's Action Party now holds all 65 seats in the Singapore Parliament, and has ruled the island country since independence.

The exact number of detainees is not known. The Singapore trade union leader Bevan Nair told the Socialist International last May that it was 64. According to his figures between 1960 and 1972, 661 people were detained of which 492 had been released into Singapore and 90 released and then proceeded to leave the country.

Many of the detainees have been held more than once. Amnesty International estimates that there are now at least 60 detainees—an increase of 20 over a year ago.

Detainees are often alleged by the Government to be agents of the Malayan National Liberation Front, arm of the Malayan Communist Party.

Very little is known about the current state of the CPM in Singapore or whether it even still exists as an effective organisation.

The most recent batch of arrests was between February 19 and 15th year. These included Arun Senkuttuvan who was detained on February 15.

Besides detaining a number of journalists the Singapore Government has also acted against newspapers.

Four members of the staff of the Nanyang Siang Pau were detained in 1971. Also in that year the Singapore Herald had its licence to print revoked and closed down. The Government has ruled the Eastern Sun to close down.

In November, 1974, a local correspondent for the American magazine Newsweek, Pang Cheng Lian was fined \$51,500 on being found guilty of contempt of court following the appearance of an article in the magazine earlier that month.

Although a member of the United Nations, Singapore has not signed or ratified the International Covenant on Economic, Social and Cultural Rights and on Civil and Political rights.

Raman: 'The moment of reckoning arrives in the loneliness of one's cell'

The following is an abridged transcript of a Press conference called by the Singapore Government and given on Saturday by detained journalist Arun Senkuttuvan and Lawyer G. Raman. Mr. James Fu, the Press Officer to the Prime Minister's Office, presided over the conference at the state-controlled television centre.

Question: "Mr. Raman, you are a lawyer by profession. What are your views on detention without trial under the Internal Security Act?"

Raman: "I had strong anti-views against Internal Security Act. I objected to detention without trial. It is a very well known fact that the Government's arguments and rationale for having this sort of a law. But in view of my own Marxist views, I was opposed to it.

"After my detention I had occasion to reflect on the provisions of the Internal Security Act and detention without trial of people. From my own personal experience I have noticed that the provisions of the ISA are only invoked to detain people who advocate armed revolution and racial chauvinism.

"I can see the justification for the detention of these two

Political opponents

Senkuttuvan concludes his statement by repeating that his aim was to portray the Government as fascist, undemocratic and intolerant of dissenting views. He told visiting foreign correspondents the detention of "Communists and pro-Communist activists was deletion of political opponents, not Communists."

He portrayed Singapore as a police state but omitted to say his statement, to mention the "intimidating methods of mass organisations" opposed to the government.

Senkuttuvan dates his resentment back to the closure of the Singapore Herald of which he was commercial editor. He did not believe the government's publicly stated reasons for closing down the Herald and decided to express his resentment by wringing for foreign newspapers.

ELECTIONS IN SINGAPORE

A tale of carrot and stick

BY ARUN SENKUTTUVAN IN SINGAPORE

State, people are being conditioned to believe that the executive can do no wrong. Those who are not susceptible to such reasoning and so, publicly, are branded as anti-national subversives.

Soon after Singapore's separation from Malaysia in 1965 the campaign to brand as communists all opposition members of Parliament's constituency was proscribed — was stopped. One by one, most of them found themselves keeping company with their alleged comrades in Changi prison, where some of them had been detained since 1963 and are in fact still.

The campaign drove the then main opposition party, Barisan Socialis (Socialist Front) to boycott subsequent elections.

Meanwhile, rumours spread that the numbered ballot papers with numbers corresponding to which voters' identities are recorded, might lead to the Government finding out who voted for whom. A Commission headed by the Chief Justice observed in 1968 that this practice was inconsistent with the secrecy of the ballot and said it should be ended. But the numbering system survived.

The atmosphere of fear created in 61 of the 68 constituencies being uncontested in the 1968 elections. The Barisan, with its entire leadership exiled, imprisoned, or "sanitised" (detained and released under certain conditions), was out of the running.

The launching of an English language liberal newspaper, the Singapore Herald, in 1970, at the same time as the competition between two rival Chinese language dailies — intensified, temporarily halted the trend towards a closed society. But

A tale of carrot and stick

public debate of important issues was soon curtailed. Within a year, the Herald's licence was withdrawn and the paper was closed. The publisher of one of the Chinese papers, detained, without trial.

The Newspaper and Printing Presses Act, which followed, brought back the device of "management shares." This enables minority shareholders to maintain control of newspapers and holders of such management shares have to have the written approval of the Minister of Culture, which is also required for the appointment of senior staff.

But this was not the only consequence of the newspaper crisis. It heightened the political awareness of some liberal and student groups. And the dormant Workers' Party, founded by David Marshall, who in the mid-1950s was Singapore's first Chief Minister, was revived to become the People's Action Party's main rival at the 1972 elections.

At the bustings, the Workers' Party was accused of receiving foreign funds, principally by means of a smear campaign of innuendoes in the media. One PAP candidate, however, made the accusations openly and his allegation was repeatedly broadcast by the Government-run Radio and Television Singapore (RTS).

The Workers' Party sued the PAP candidate and RTS for libel. The court ruled that there was nothing libellous about suggesting that a political party had received funds from abroad. The Government, realising that the Workers' Party lost its case mainly on technical grounds, quickly amended certain laws, so that RTS can no longer be sued for libel.

The university students' awakening to the problems of some workers and non-unionised employees of the exceptional profits of their companies in the boom but who were made redundant at the onset of recession, upset the serenity of the controlled campuses. (Entrance to higher education requires a "suitability certificate" issued after police screening.)

The student leader, Tan Wah Piew, was charged in court with rioting and jailed for a year. Upon release, Tan, who is short and suffers from severe myopia, was drafted into the artillery, which usually takes only the most able bodied of men. Claiming persecution, Tan disappeared from Singapore, and is now in England seeking political asylum.

One of Tan's offences was trying to survey wind and water currents as surveys likely to be redundant unpleasant facts are not encouraged, and talk about income distribution is taboo.

However, some indicators are available. At the end of last year three quarters of the employed persons in Singapore, whose per capita gross domestic product is \$35,540 (£1,168), earned less than \$360 a year. One third earned less than \$480. Both figures are high by the standards of South East Asia, but Singaporeans are more concerned by what they judge as unfair internal disparities of wealth.

The 1973 survey showed that one third of households had an annual income of less than \$3,600 (£600) and six out of ten had less than \$1,000. There are reasons to believe that the income inequalities have changed since. A Law and Order helps business, and the ultimate aim of the Government is to run or be part of a successful business.

Would you like to comment?

Senkuttuvan: "In my view, what is in the tape would embarrass the Singapore Prime Minister. If the Malaysian leaders were to come to know about it, that's my view. He may disagree with it."

Question: "I wonder whether Arun would care to expand on his description of the IFAR Eastern Economic Review's attitude toward the Singapore Government. In which way is it hostile?"

Senkuttuvan: "I was writing in the Review these anti-Government articles and slanting facts and putting out half-truths and all these were noticed by people like James Fu. And they felt that the Review was being hostile to Singapore."

"The Review wanted controversial stories. They wanted the other side of the story, so to speak, because they knew that the local papers had already carried the Government side of the story."

Question: "You said your contributions have been heavily edited. Can you say if they have been slanted or distorted by the FEER or the Financial Times?"

Senkuttuvan: "No never in the

The two FT articles referred to by Arun Senkuttuvan in his statement: "A tale of carrot and stick" appeared on December 21; "Mandate to fight Communists" appeared on December 30.

Financial Times. Only in the Review. But that refers to business and economic stories. The political stories that I have mentioned in my statements, I wrote as they appear now."

Question to Raman: "Surely, it would strain credibility a bit if an ideology you have held for ten years, you could give it up so easily in a few days, about in the quietness of a cell, are you trying to tell us you can give it up?"

Raman: "Yes, as I said, the moment of reckoning arrives in the loneliness of one's cell and one also asks oneself what part are you going to play in the liberation of society? Is the now that is being made by the CPM (Communist Party of Malaya) the correct move. These are also cumulative thoughts, over the period of ten years one has had all these reflective moments.

"Then of course this moment of wrath arrived. Detention and a few days that detention does in you, and especially when one is confronted with evidence, massive evidence of the type that they have unearthed. What their action do I have except to say that I was involved."

'Mandate' to fight Communists

THE RULING People's Action Party has interpreted its success at the Singapore general elections on December 23 as a mandate to crack down on Communists and what it describes as "pro-Communists." Arun Senkuttuvan writes from Singapore.

Immediately after the results were announced, Foreign Minister S. Rajaratnam said the mandate was "to fight the Communists and pro-Communists, which we will start doing now." The Government's definition of "pro-Communists" is rather wide and includes not only those who call themselves socialists but sometimes also liberals.

The first known casualty of this crackdown is Shamsuddin Tuog, a former chief editor of Nanyang Siang Pau, a leading Chinese language newspaper. Mr. Tuog, now under arrest, was an opposition candidate in the elections, during which he was accused by the Government of "playing on the raw issues of Chinese language, education and culture to incite chauvinist emotions."

The day after the elections, two supporters of opposition parties were also charged in court with criminally defaming Prime Minister Lee Kuan Yew.

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PACKAGING New-look bottle in a plastics skin

SAVINGS in many of the stages between container production and the presentation of a finished package on a shop shelf are possible with the introduction of the Plastishield concept on the U.K. market by United Glass Closures and Plastics.

Although the system has been available in the U.S. for some time, this is its primary launch in Britain and United Glass is now installing special equipment at its Peasley factory to make the corresponding bottles.

It is basically a very simple system since it consists of applying a pre-printed polystyrene sleeve to the bottle by a shrink-wrapping process.

But the bottle is made of lightweight toughened glass, which has been put through the 'Tiran' process. This is thought to give the strongest surface finish to glass yet devised. Combined with the protection of the plastic shield, this initial toughness means that a very considerable weight saving is possible—from 22 ozs down to only 16 ozs for a 1-litre container.

Use of the expanded polystyrene sleeve gives considerable latitude in presentation and obviates the need for labelling stations in the bottling lines.

Another important function it fulfils is to provide a very considerable reduction in the high noise levels associated with conventional bottling lines and this is coupled with an improvement in fill/grip speeds of around 10 per cent.

In use the sleeve offers a better grip and non-slip surface even when the beverage is refrigerated. It comes delivered complete and pre-printed, using a rubber stereo printing process (Flexographic).

Positive type can go to eight-point and reverse down to 10-point and up to five colours are available.

Originated by Owens-Illinois and launched in the U.S. in 1972, Plastishield has caught on so fast that 50 per cent of all large carbonated beverage bottles are of this type and it is estimated that this year total sales will pass the 5bn mark.

More information from the company at Kingston Road, Staines, Middx TW18 1AD. Staines 51321.

SERVICES Clean air for hire

LAUNCHED by Advance Linen Services and making use of equipment made by The Plessey Company is a "clean air rental service" intended to keep the air fresh in conference rooms, cautions, work rooms and reception areas.

Plessey electrostatic air cleaners are to be made available at rental charges down to £2.95 per week, which includes installation, service and maintenance.

Available in 200 and 500 cu. ft./min. sizes, the air cleaners have three stages. Polluted air is drawn into the unit by a fan and first passes through a fine mechanical filter which removes relatively large particles like dust or hair.

In the second stage particles such as dust, tobacco smoke, pollen, oil mist and bacteria are electrostatically charged and subsequently attracted to plate stacks carrying an opposite charge. Finally the particle-free air is drawn through an activated carbon filter which absorbs odours.

In addition to the health benefits, cleaner air will increase the life of interior decorations, reducing cleaning bills for furniture and fabrics. Furthermore, because the air is being recirculated and not being exhausted, savings through a window fan, examples can also be made on heating costs.

The cleaners will deal with most indoor air cleaning problems and are provided with a boost facility to deal with unusually high levels of pollution. Advance Linen Services is at 77 Upper Richmond Road, Putney, London SW15 (01-789 6571).

TEXTILES SOFTWARE

Cloth rolls weigh less

A DEVICE which could save cloth merchants money by reducing labour, materials and freight costs has been designed and manufactured by Wira, the Leeds research and technical centre for textiles and clothing.

Holland & Sherry Group of London and Piesley principal subsidiary of Linercoff Kilgour) asked Wira to solve the problem of rolling folded cloth prior to dispatch to the tailor. Past efforts to produce mechanically the flat packs of folded cloth, such as may be seen on the shelves of bespoke tailors, have failed due to the different paths which the two layers of cloth take on a winding mandrel.

Wira's solution is to lay the cut length of cloth on a conveyor and pass it between constant ratio feed rollers to an automatic winding head which requires no boards at the core of the roll.

The task of responding to cut length orders is normally labour intensive. The new machine not only reduces labour time in producing the rolls, but also eliminates the need for boards and, with the consequent reduction in weight, reduces freight costs to the tailor or maker-up. The saving in air freight charges for overseas orders can be substantial.

Mr. G. Roberts, Engineering Manager, Wira, Headingley Lane, Leeds LS6 1BW. 0532 759071.

Structured programs survey

INFOTECH's year-long study and survey of structured programming, based on more than 300 respondents and a number of case studies has now been analysed and is soon to be published.

It contains some surprises, notably that well over 80 per cent of respondents using structured programming were not software houses or in the computing business, but organisations whose primary business was not data processing.

The report indicates that structured programming users generally had large reductions in the man-hours spent on debugging, the amount of computer time taken for testing, the number of staff devoted to software maintenance and the time taken for maintenance.

Reductions generally were in the range of 50 to 80 per cent over the more historic methods. One large company example is quoted in the report. It is one of the handful of companies which had kept programmer productivity figures prior to the introduction of structured programming. Thirteen instruction lines of code were recorded per man/day.

The few others available were in the range of 10-12 Cobol statements per man per day.

A year after the change-over, lines of code per man per day had increased to 36. During that year, the staff time taken up by program maintenance had decreased from 60 per cent to 40 per cent, the machine time required for testing had decreased by 15 per cent, and program errors had become detectable much more easily and much earlier. Errors not detected till final test of acceptance had decreased by 66 per cent.

Many of the gains were not quantifiable. However, it was noteworthy that the productivity figures reported after its introduction, over where there were no figures available for the prior situation, ranged from 26 to 150(!) Cobol statements per man per day.

There were few reported gains in project elapsed time, and where these occurred they were of the order of 10 to 20 per cent. More important was that structured programming when properly embedded into an organisation seems to lead to project time estimates being met, something reported, seemingly with great relief. Design time within the software project period, however, generally increased, and there was evidence of more thorough approach to design.

The major benefits of structured programming as reported were the quality and maintainability of the product, the productivity and job satisfaction of the DP staff, and the greater visibility and control in the more developmental process. The major problems seemed to be the lack of acceptance and support by senior management, not by senior programming staff.

MATERIALS Lubricants with grip

IN THE U.S. Monsanto has developed a family of synthetic hydrocarbon oils and greases, which is stated to parallel or exceed the lubrication action of top quality petroleum oils.

The company says that at extremely high pressures, a unique phenomenon occurs—the greasy lubricant film acquires "grip".

This dynamic effect between rolling-contact surfaces results in a momentary transition of the lubricant's mobile film to rigid solid, with immediate reversal when pressure is reduced. This effect is said to be most dramatic in the greatly heightened power transfer between smooth rolling surfaces.

As might be expected from this special characteristic, initial applications in the U.S. were in automatic gearboxes for cars. This is still being developed, but Monsanto engineers have found that the lubricants called Santotrac have other applications.

The company says that the lubricants can meet the demands made by machinery that must work at high speeds, under heavy loads, with low noise levels, and perform precision operations with minimum maintenance—in other words, machinery employing rolling-contact elements for bearing and power transfer duties.

For example, it is claimed that the working life of sprag and roller clutches can be extended three-fold by using Santotrac. This is being applied by a French company—Tolartrol, Bethune—and not only restored the indexing action of worn clutches in punch presses, but also extended life from 15m cycles to 30m cycles before replacement was required.

The indexing action, both in terms of speed and accuracy, is improved by the high traction, efficient and resistance to shear produced within the lubricant film.

Monsanto engineers believe that additional development of Santotrac may result in a reduction of the size of the clutch torque or clutch position. Details from U.K. office at 10 V London SW1R 5BT.

INSTRUMENTS Contact flow meter

INTRODUCED in the U.S. by a firm from the U.K., the Clampron Flowmeter is a pipe flow meter without modification to the pipe itself.

A Transducer/receiver is clamped in diametric positions on simple fittings. Thus there is no need for installation down or pressure on the pipe or pressure on the pipe itself.

An ultrasonic receiver is directed from one receiver to the other, through the pipe during which process velocity of the liquid is measured. The absolute value is displayed digitally.

In operation the liquid is claimed to be in liquid temperature corrosive quality only on the ability to pass ultrasonic waves. Excessive after property of most liquids. Ancillary including total flow can be provided. Bath Road, Slough (06258 61881).

ELECTRONICS

Big memory price cut

NOW claiming to offer the lowest semiconductor prices in the industry is Hewlett-Packard, which has just announced a 30 per cent price reduction.

The memories are the type in use by the company since 1974 when HP became the first small computer firm to offer semiconductor memory.

The list price of 32 kilobytes of parity memory for an HP21MX is now £1150. The effect on the price of a new 21MX machine of typical size would be a reduction of about 13 per cent. List price of a 64 kilobyte computer for example is now £5,800 as against £7,700 previously.

But the impact on small memories is the most significant. The new price of a 16 kilobyte version of the recently announced K-series, a "board level" member of the 21MX family, is 21 per cent down. More from King Street Lane, Wokingham, Wokingham RG11 5AR (0734 784774).

COMMUNICATION Radio test speeded up

IN THREE minutes, a calculator-controlled automatic test system from Hewlett-Packard can check out a typical two-channel mobile FM transceiver, CB radio, hand-talkie, or AM transceiver.

With capabilities formerly matched only by computer-controlled systems, its price, the new HP 890A, makes the test system will serve the automatic test needs of such users as transceiver manufacturers, military radio depots, state and large-city communications agencies.

Transceivers operating at frequencies from 1 to 1000 MHz and up to 100 watts are covered. This includes the new 90MHz mobile FM band where channel expansion is under way, as well as the well-understood CB radio field.

The new technology that has cut the cost of transceiver testing is the HP interface Bus (Hewlett-Packard's implementation of IEEE Standard 488). This makes it possible to use, mostly off-the-shelf RF instrumentation reasonable in price, yet of calibration-laboratory quality.

The 9825A calculator approaches mini-computer speed and programme flexibility, provides easy, user-oriented operation, yet saves cost.

Hewlett-Packard, King Street Lane, Wokingham, Wokingham RG11 5AR. Wokingham 784774.

Electronic pianos

THE MICROCIRCUIT, more and more evident in the home in radio, TV, calculators, and even washing machines may even take the pre-war cult of the piano.

According to General Instrument Microelectronics (GIM), use of some of the MOS circuits it has developed can produce acceptable piano sounds, via electronic means.

New devices in SOS

FOLLOWING the disclosure in late 1976 in the Technical Page that Hewlett-Packard had spent some \$20m to perfect the technology of producing tiny and ultra-reliable circuits in silicon on sapphire (SOS), the company has described a first SOS project at Cupertino, California.

It is a microprocessor of 16-bit architecture which contains some 10,000 transistors on a single chip within an area of only 3/4 square millimetres.

Instruction speeds run from 0.5 to 1.5 microseconds and the device has been optimised for control jobs. Maximum power consumption is 400 milliwatts and it combines low power consumption with fast operation and high density—all characteristics of the SOS techniques.

Over a period of a year, some 20,000 parts have been extensively tested and the company is highly confident of the consistency of performance to be obtained and the Cupertino facility's ability to achieve good volume and yield.

No other products have been described but it is known that several will be introduced and incorporated into company equipment this year.

More from HP at King Street Lane, Wokingham, Wokingham RG11 5AR. Wokingham 784774.

CONTRACTS AND TENDERS

- UNIVERSITY OF BENIN, TEACHING HOSPITAL**
P.M.B. 1111
BENIN CITY
TENDER FOR SUPPLY OF DRUGS
1. Tenders are invited from reputable drug houses for the supply of drugs to the University of Benin Teaching Hospital during the 1977-78 financial year.
2. The tender schedules which are listed in triplicate are obtainable from the Director of Administration, University of Benin Teaching Hospital, P.M.B. 1111, Benin City. One from the University of Benin Teaching Hospital, London Representative, 27, Hallam Street, London W1R 3JF, on the payment of £200.00 (two hundred Naira). Payment should be by Money Order, certified cheque or cash to the Chief Accountant of the Hospital or to the London Representative.
3. Completed and signed tender schedules should be returned in duplicate with the necessary non-refundable deposit or copy of the receipt of payment to the Director of Administration or the London Representative in sealed envelopes marked "CONFIDENTIAL TENDER FOR DRUGS" not later than 22nd March, 1977.
4. The University of Benin Teaching Hospital is not bound to accept the lowest or any tender.
- Ahaji L. S. Gwa,
Director of Administration.
- SAUDI ARABIAN CONTRACTOR**
- Invites enquiries from U.K. firms interested in carrying out joint work in the Kingdom of Saudi Arabia in the field of precast concrete, general building and civil engineering.
- Contact: P.O. Box 1896, Riyadh, Saudi Arabia.

PLANT & MACHINE SALES

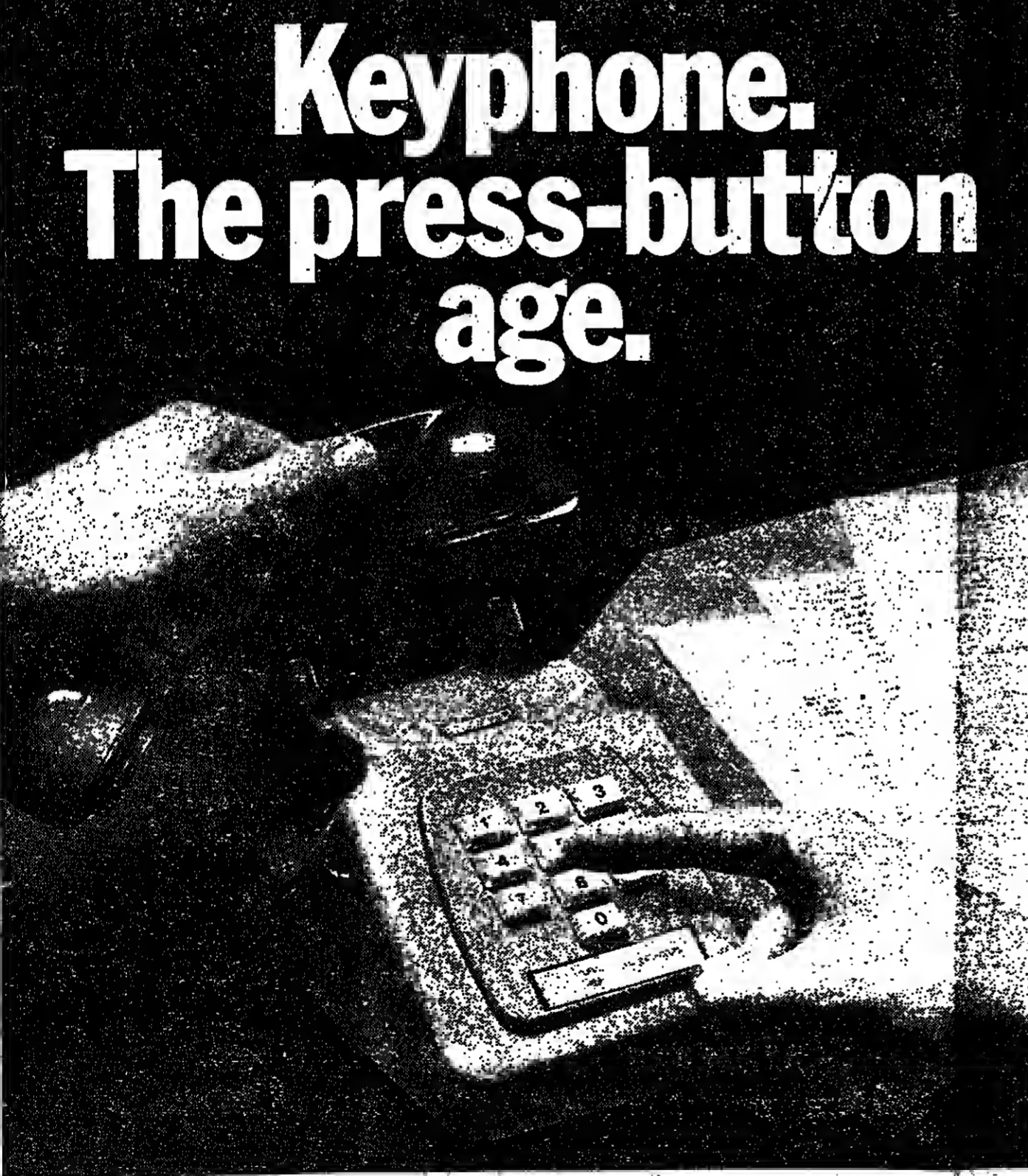
Description	Price
140 K.W. LIFT OFF BELL TYPE BRIGHT ANNEALING FURNACE (1967). Complete with four hearths and ex-thermic generator.	P.O.A.
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MODERN USED ROLLING MILLS, wire rod and tube drawing plants—roll forming machines—slitting—flattening and cut-to-length lines—cold saws—presses—guillotines, etc.	P.O.A.
1974 FULLY AUTOMATED COLD SAW by Noble & Lund with batch control for cutting non-ferrous bar. Max capacity 5" round and square.	P.O.A.
1966 DECOIL, FLATTEN, cut-to-length and sheet stacking line by Bronx max capacity 48" wide x 10 swg x 12 ton coil.	P.O.A.
50 HP HORIZONTAL BULL BLOCK 600 mm diameter drawblock.	P.O.A.
1970 CUT-TO-LENGTH LINE, max capacity 1000 mm x 2 mm x 77 come coil fully overhauled and in excellent condition.	P.O.A.
1965 TENSILE DRAFT GRAVITY WIRE DRAWING machine by Farmer-Norton 27"-29"-31" diameter drawblocks.	P.O.A.
STRIP FLATTEN AND CUT-TO-LENGTH LINE by A.R.M. Max Capacity 750 mm x 3 mm.	P.O.A.
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THREE UNUSUED 10 DIE SUPERFINE WIRE DRAWING MACHINES by Marshall-Richards.	P.O.A.
ROLATRUC-REACH TRUCK RT1250 capacity 2650lbs 248". Life—new battery and charger—fully workshop overhauled—3 months warranty labour and parts.	P.O.A.
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COLD FORMING BOLT MANUFACTURING MACHINERY currently in production.	P.O.A.

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Post Office Telecommunications

Living comfortably at 49C in the shade... thanks to Eurocab

Construction under such conditions requires sturdy portable accommodation. The Eurocab provides just that. The units are clad with P.V.C. coated steel and have galvanised roofs, the interior being thermally insulated. Between the interior lining and exterior P.V.C. steel panels is 65mm of polystyrene, thus providing really efficient insulation both in hot and cold climates which can be readily adapted to either air conditioning or central heating.

The floor is completely insulated and has a steel base for weather protection. Eurocab units are expandable. Made in a standard length of 6m and standard width of 3m, one unit can be linked together with others to form a complete accommodation system at working complex.

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JP K... ID

HOME NEWS

Post Office will offer three new telephone designs

By Christopher Lorenz, Electronics Correspondent

THE Post Office is planning to respond to outside pressure for a more aggressive design policy...

Now that the Post Office has been told by the Government to self-finance its near-Ebna telecommunications annual investment programme...

Another likely area for expanded activity is the provision of recorded information services. A corporation manager, Dr. A. A. L. Reid, said at the weekend that these already received hundreds of millions of calls a year...

Figures on London homeless challenged

Michael Cassell, Building Correspondent

DON GOULD is heading for a "housing disaster" in the next few years, according to a report shed today by Shac, the housing aid centre...

Report attacks direct labour department

Our Building Correspondent

CONFIDENTIAL report prepared for Lambeth Council in London on the activities of its labour department reveals a range of mismanagement losses...

Earnings rise forecast

A 3 per cent rise in earnings is forecast for the year from the end of July...

Car glue defended

British Leyland said yesterday that glue used on a few Princess and Allegro models when replacement parts were not available...

Ethylene plant

ESSO CHEMICALS is not expected to take a final decision until late next year or early in 1979...

Early ship

Appledore Shipbuilders has handed over its latest vessel, the Cumbria, to the Royal Navy...

Bill of Rights

A domestic Bill of Rights for Britain would fundamentally change constitutional arrangements...

Nilfisk The World's largest manufacturer of Industrial Station Cleaners

Labour bid to control MPs fails

By Ray Ferman, Scottish Correspondent

THE LABOUR Party's Scottish Conference voted overwhelmingly yesterday against a proposal to give local management committees much greater control over MPs and councillors.

The resolution, from the Edinburgh North and Central Ayrshire Constituency parties, would have enabled activists to nominate elected members at any time to account for their actions.

The move was strongly condemned by Mr. George Robertson, Scottish chairman, who described it as putting further barriers in the way of the few people who were willing to stand for office.

Goodwill

Mr. Ron Hayward, general secretary, criticised those who joined the party and within weeks tried to destroy the goodwill built up over years by the MP.

During the conference, Mr. Bruce Millan, the Scottish Secretary, announced a new subsidy of up to £5m. over five years to enable the South of Scotland Electricity Board to burn Scottish coal.

Without this money, the Coal Board had estimated that 2,000 jobs could be at stake, he added.

Fine Fare rejects packs bearing discount coupons

By Elinor Goodman, Consumer Affairs Correspondent

THE FINE FARE supermarket chain has ordered its buyers not to accept any products which are supplied with coupons for other products on the pack.

This follows a recent court case in which a small shopkeeper was found guilty of an offence under the Trade Descriptions Act because he refused to accept a money-off coupon given to him by a customer.

The disputed coupon was printed on a pack of Birds Angel Delight and entitled the buyer to a discount on Birds custard. Both products are made by General Foods.

The court's decision has thrown the issue of cross-couponing into focus. This form of promotion, frequently used by companies with large product ranges as a relatively cheap way of boosting sales, has never been liked by retailers, though they get an allowance for handling coupons.

Prefer

Some shopkeepers are concerned that stocking such packs could lead to prosecution under the Trade Descriptions Act in certain circumstances. Some are worried that they could be prosecuted if they either did not usually sell the product for

Plan to end scrap row put to BSC

By Our Sheffield Correspondent

PROPOSALS for easing a three-year-old wrangle between scrap merchants and the British Steel Corporation have been put forward by the British Scrap Federation.

Under a plan introduced in 1974, the corporation now purchases ferrous scrap from only about 20 direct suppliers. Previously, more than 300 merchants were able to supply direct.

The corporation plan brought widespread protests from excluded merchants. These culminated in a meeting in Sheffield earlier this year, at which some of these companies said that they might have to consider market action to fight the corporation's policy.

Now the federation has asked the BSC to consider important amendments to their buying policy. These would allow any merchant who could provide 500 tonnes of scrap per week and meet certain specifications to supply direct.

Federation officials believe that perhaps 50 British merchants would then qualify as direct suppliers.

Sir Charles Villiers, the BSC chairman, has agreed to talk with Mr. Roy Boat, the federation's executive vice-president.

Another bus order for Metro-Cammell

By Ian Hargreaves, Industrial Staff

SOUTH YORKSHIRE passenger transport executive has become the second authority to place a second order for delivery in 1979) will comprise Leyland Atlanteans.

Like the six other passenger executives, South Yorkshire is now being strongly wooed by Leyland into taking a shareholding in a new bus manufacturing group which would ensure that the £18m. development costs of the B15 could be met. The National Enterprise Board has told Leyland that unless it can demonstrate customer support for B15, the project will not go ahead.

If the B15 project is cancelled, companies like Metro-Cammell developing engineering facilities and the Volvo-backed Alisa are well placed to step in and attack Leyland's 55 per cent share of stock interests into the building of double-deck chassis.

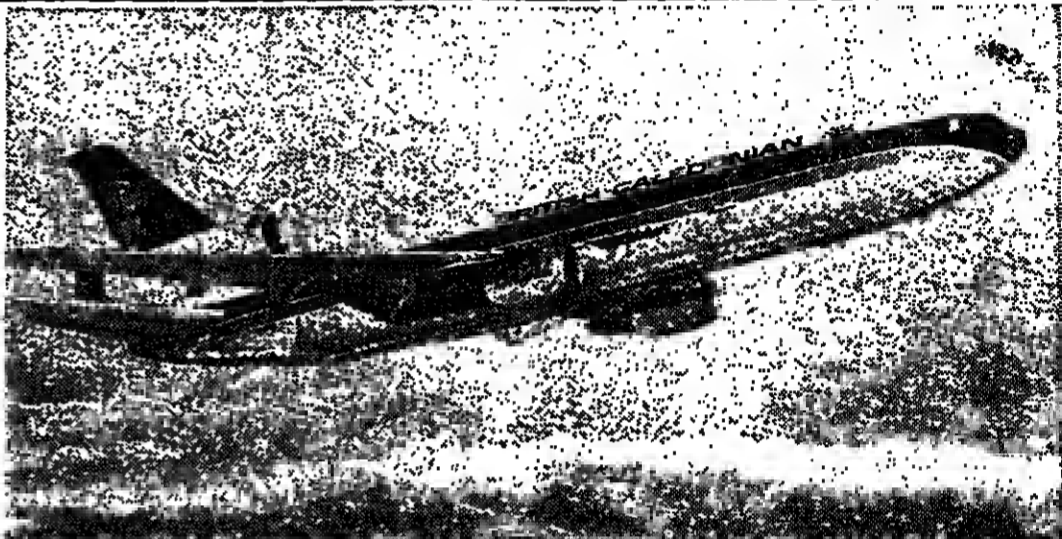
In January, the West Midlands passenger executive announced that it would take five Metro-buses with an option on a further 45. Neither this nor the South Yorkshire order will require Leyland components, as one authority has specified Gardner engines and the other Rolls-Royce.

Both executives have been critical of the reliability of Leyland's double-deck models.

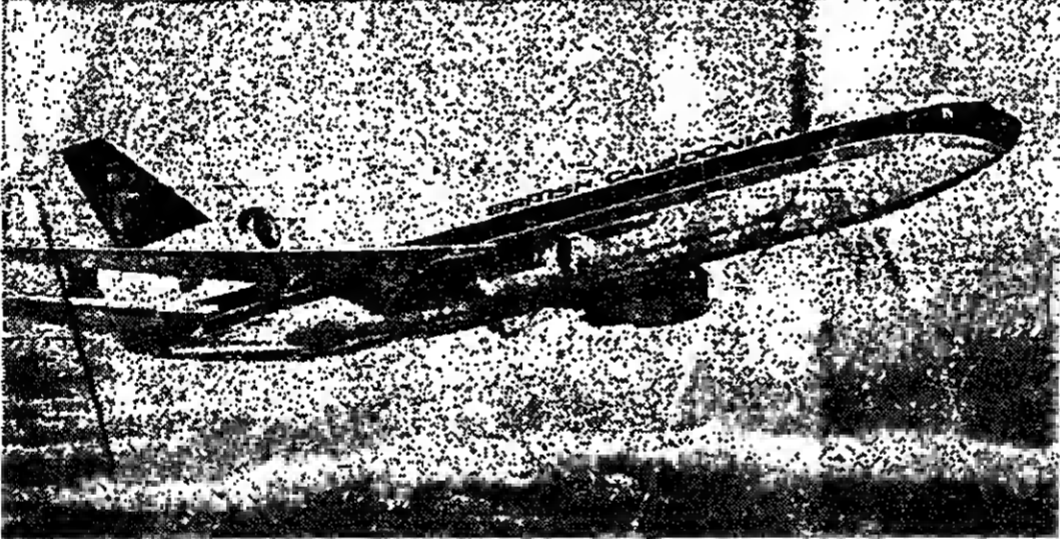
News of the South Yorkshire order comes as a warning of the urgent need for Leyland to obtain a decision on the B15. South Yorkshire has a fleet of 1,000 buses which, apart from 62 Atlanteans and a handful of Leyland abandoned when it decided to concentrate production in Lancashire.



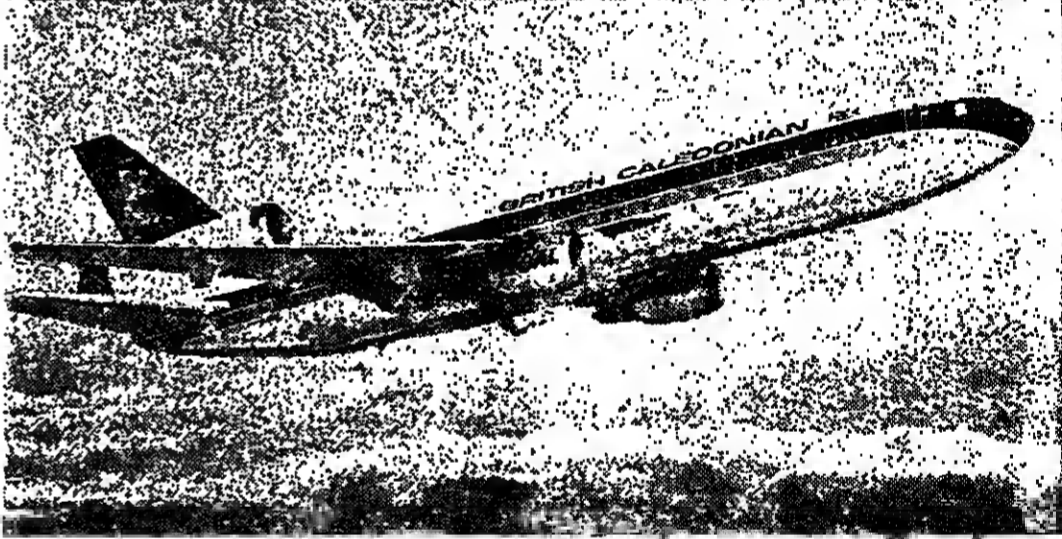
Monday: Departs 12.00 to Lagos, Accra.



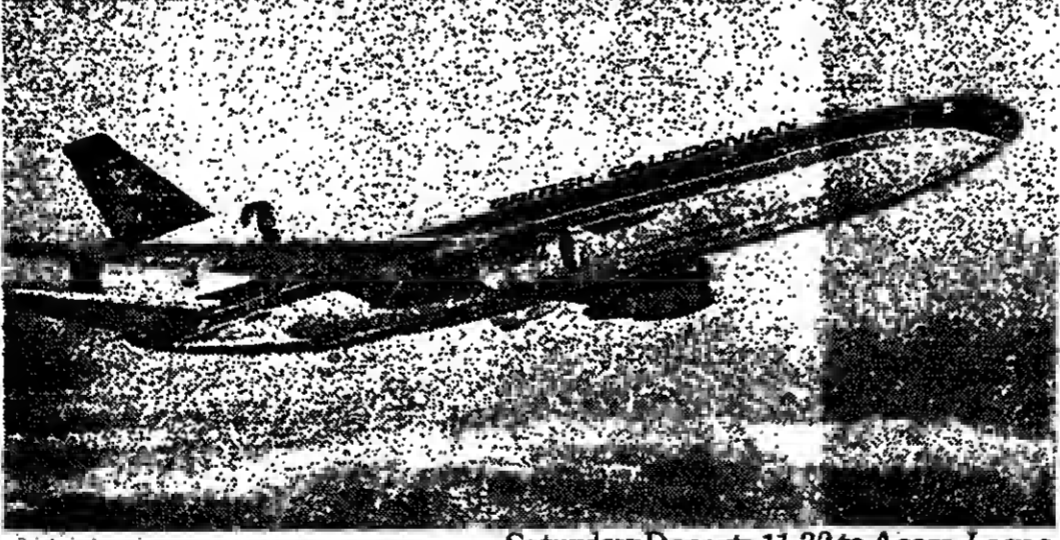
Tuesday: Departs 11.30 to Kano, Lagos.



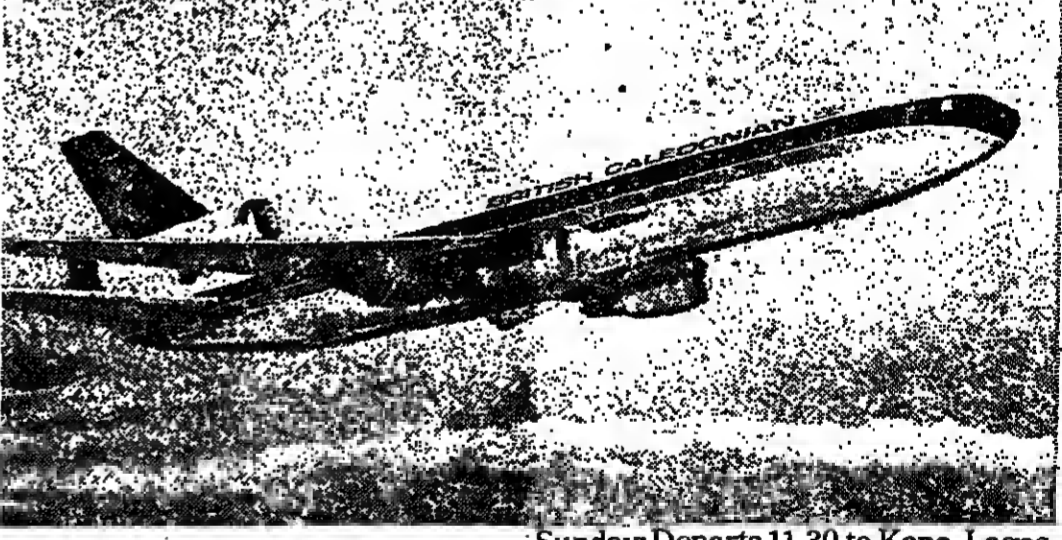
Wednesday: Departs 12.00 to Lagos, Accra.



Friday: Departs 11.30 to Kano, Lagos.



Saturday: Departs 11.30 to Accra, Lagos.

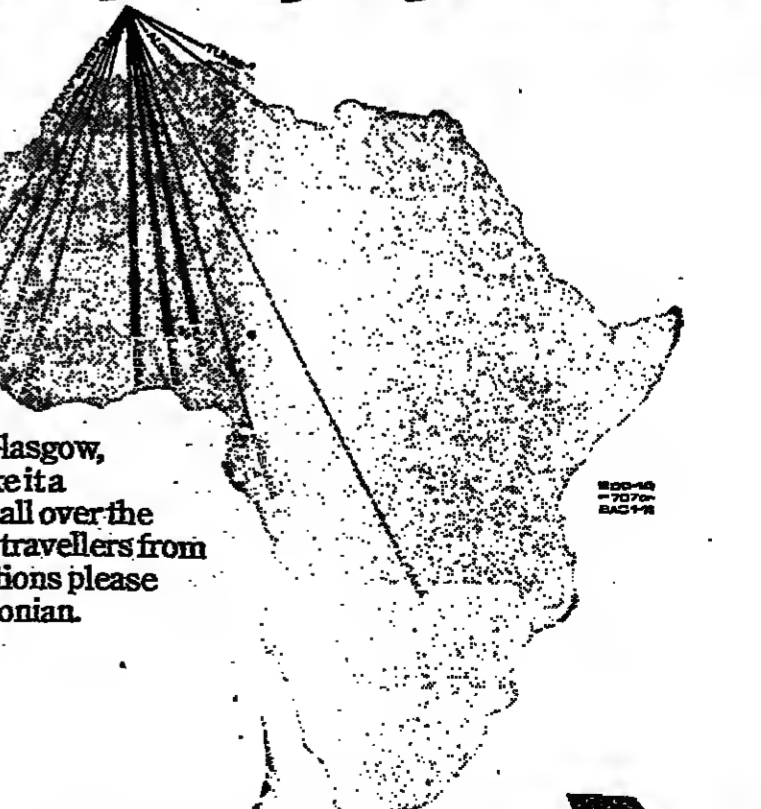


Sunday: Departs 11.30 to Kano, Lagos.

Day by day by day by day by day by day by DC-10

From March 20th British Caledonian's new DC-10 will fly by day to West Africa six days a week (take off midday, arrive West Africa early evening). The addition of DC-10's to our fleet is yet another example of the Bigger B.Cal. Now you needn't lose any sleep over flying to Lagos, Kano and Accra and you can enjoy the latest DC-10 with the outstanding new feature - British Caledonian service. There's a wonderful feeling of spacious ease about the DC-10. The wide, wide body means you're not cramped in your seat, and gives space for double aisles so you can move easily around the aircraft. The cabin is tall, as well as wide, and light and airy. The engines are so quiet you can hear an ice-cube drop into your pre-lunch whisky and soda. Passengers can spread themselves on the

DC-10, and so can we. Bigger galleys, bigger serving areas, more room all round enables us to turn on a service that's something special even by our own high standards. You fly by day, by superjet with service that matches the plane. No wonder you arrive in West Africa relaxed and refreshed. Easy-to-get-to Gatwick is Britain's fastest developing international airport. There are frequent domestic flights into Gatwick from Aberdeen, Belfast, Edinburgh, Glasgow, Jersey, Manchester and Newcastle. These make it a convenient departure point for travellers from all over the UK. There are excellent road and rail-links for travellers from London and the South of England. For reservations please contact your Travel Agent or call British Caledonian. *On Thursdays a B.Cal 707 departs 23.15 for Lagos.



Let's go BRITISH CALEDONIAN TO WEST AFRICA Over 500 flights a week to 25 countries - Europe, Africa, South America and within the UK. Flights to Lagos and Kano in association with Nigeria Airways.

Building and Civil Engineering

£6½m. motorway job for Cementation

CEMENTATION Construction has been awarded a contract worth about £6.5m. for the second stage of the multi-level Raillestone interchange on the Monkland MS motorway on the outskirts of Glasgow. Consulting engineers are Eadie, Shaw and Morton of Glasgow.

Work on the three-year contract is due to start shortly. Cementation's work will involve construction of about 1.4 km. of dual carriageway generally 7.3 metres wide but increase to 10 metres at the north end together with 3.3 metres wide hardshoulders and 0.7 metre wide hardstrips.

There will be about 2.6 km. of connecting roads 7.3 metres wide with 3.3 metres hardshoulders. Slip roads will amount to 1.3 km. of 7.3 metres width and has been awarded a contract worth about £6.5m. for the second stage of the multi-level Raillestone interchange on the Monkland MS motorway on the outskirts of Glasgow. Consulting engineers are Eadie, Shaw and Morton of Glasgow.

Housing in Leeds

THE CITY of Leeds has awarded two contracts for the construction of traditional houses at a total value of nearly £2m. to George Wimpey.

Larger of these is for 129 two-storey dwellings on four sites in West Leeds known as Wortley Oldfield Street, Armeley Heights "D", Moorside Gomers Hill and Bramley Broad Lane.

The other contract is for 77 traditional dwellings in two-storey units in Kings Road, Burley, Leeds, including 63 houses in a variety of types and 14 two-bedroom three-person flats.

Work on both contracts starts in April and is due for completion in the summer of 1978.

At Maidstone, Kent, Wimpey is to build a £363,000 extension to a warehouse for Courage (Eastern).

The structure will have a steel frame with metal cladding, patent glazing to the upper part of the walls and faced brickwork and blockwork to the lower walls, with asbestos roofing.

Work has just started and is due for completion in June, 1977. Architect is W. Longstaff.

superstructures on foundations designed especially for areas where there are mine shafts. Completion is due in April 1979.

When completed, the development will link with an adjoining estate of 59 dwellings upon which the company is already well advanced.

For the Wessex Water Authority the group's civil engineering and piling company, Davies, Middleton and Davies is to carry out flood prevention works estimated to cost £120,000.

The work on the Sistoos Brook at Willbridge, near Bristol, involves land drainage, channel improvements, bridge underpinning and construction of retaining walls.

In South Wales, a piling contract worth £45,000 has been won for the construction of an on-fall structure and sheet piling cofferdams for a surface water outfall pumping station and inlet structure. This work is in connection with the Duffryn housing project at Newport, Gwent and starts on April 1.

£3m. worth for Jarvis

SEVERAL contracts, valued at nearly £3m., have been awarded to J. Jarvis.

For the London Borough of Haringey the company is building a sports hall and an extension to an administrative building at the Wood Green Secondary School, London, N22.

In Church Street, Croydon, Jarvis will more than double the size of the sales area of a Sainsbury retail store and will provide an additional entrance and improved access to car parks. A new Sainsbury supermarket is also to be built in Newcastle-under-Lyme, Staffs.

In the north-west, Jarvis is to carry out major extensions to Boddington's Strangeways Brewery, Manchester, to the design of A. H. Brotherton and Partners. In Liverpool, an area depot is being built for the Merseyside and North Wales Electricity Board for its service and mains engineers, meter readers and repair staffs. The depot is the Biggins Sargeant Partnership.

Oil pipeline contract

THE CENTRAL Electricity Generating Board-Generation Development and Construction Division, has awarded a £2.35m. contract to John Laing Construction to lay an oil pipeline linking the Grain and Kingsnorth power stations on the Isle of Grain in Kent.

The seven-mile welded steel pipeline will be 18 inches in diameter and is intended as a secondary source of oil supply to the new Grain installation.

Oil tankers will moor at Kingsnorth's oil reception jetty in the River Medway and discharge into reserve tanks adjacent to the station. The oil will then be pumped through the new pipeline to Grain. Because the fuel is a high-viscosity residue oil it will have to be heated to a temperature of 150 degrees F before it can be pumped into the insulated pipeline.

Work has just started on the contract and completion is scheduled in the summer of next year. L. G. Mouchel and Partners are the consulting engineers.

In Yorkshire Laing has been awarded a £797,000 contract to extend a carpet factory.

Work, which has already started, involves erecting a 623 feet by 114 feet building for

Mixed bag of jobs

TILBURY CONSTRUCTION has been awarded a batch of contracts amounting to some £2m. notably a new Pipeline Terminal Building at Kingsnorth power station, for the Central Electricity Generating Board to a value of around £200,000 and a scheme to expand the Reed Paper and Board (U.K.) Deinking Plant at Aylesford for about £300,000.

In the £200,000-£250,000 bracket Tilbury has secured five contracts from British Rail, National Bus, Graham Wood Group, Second City (South West) and the East Anglian Health Authority.

Coal plant work

LARGEST of two National Coal Board contracts awarded to Henry Boot is for civil engineering work in connection with a new coal preparation plant at Shirebrook Colliery, near Chesterfield.

The plant has been designed by Simonaco (Carlisle) in co-operation with the NCB and included in Henry Boot's contract are treatise £300,000 and will cost £712,000 contract for the foundations for the conveyor system, a storage bunker and other works. The second NCB contract is worth £40,000 and is for two reinforced concrete tanks, roadways and drains.

In Miltoo Keynes, Henry Boot is to complete the second main south-to-north road and provide access new shopping areas. Construction of the road, to be known as Savon Street, will cost £200,000 and will cost £790 foundations for the conveyor

Housing and piling work

BRADFORD Metropolitan District Council has awarded Joseph Cartwright a £1.17m. contract to construct 116 dwellings at Wyke. This project calls for two-storey dwellings with traditional

Mortar in colour

RMC MORTARS, a member of the Ready Mixed Concrete Group, is to market coloured mortar in bags.

It will be called Coloursmix and in addition to the normal constituents of lime, sand and cement, it will be only necessary to add water on site. Coloursmix is to be available in thirteen colours.

£1½m. galvanising plant

A SITE, and presumably a contractor, are to be chosen by TI Tube Products to house a very big steel tube galvanising plant.

TI Tube Products, Europe's biggest producer of electric resistance welded steel tube is to make a major £1½m. investment in the special plant which will turn out zinc-coated welded steel tube in the 13 to 63.5 mm (½ to 2½ inches) outside diameters in an in-line system.

When fully operational in 1978, the plant will have an annual throughput capacity of 10m. metres. It could be located either at Oldbury, West Midlands, or Washington, Tyne and Wear, where the company has tube-making plants in operation.

The new plant will be set up with a high degree of automation, the raw material in the form of steel strip entering at one end and finished galvanised tubes coming off the line at the other.

TI Tube Products has taken a licence from Daiwa Steel Tube Industries Company of Osaka, Surabaya.

More orders for lifts

THE SIME DARBY lift and escalator manufacturing company Marryat and Scott (International) has won a £900,000 order to supply lifts for the 15-storey headquarters of Orica Coefficient Phosphates in Casablanca, Morocco.

The company has also been given a £100,000 order for two lifts for the 19-storey Al Malki office block in Qatar in the Gulf. Already in hand are £2m. orders from an American boat chain for installations in Karachi and Industries Company of Osaka, Surabaya.

Survey jobs for Hunting

TWO LARGE aerial survey projects have just been started by Hunting Geology and Geographics.

In Greece Crete and a large part of Greece and the other part of the Middle East, the whole of the western coast of the United Arab Emirates from the Dubai/Sbarjah border northwards as well as a number of islands over the Gulf of Oman.

Worth over £150,000, the latter contract is for aerial photography and mapping for the Emirates' Ministry of Public Works and Housing. The contract was won against Dutch, Japanese and Korean firms and the contract work carried out for the Ministry.

Aerial photography is being carried out by Hunting's own HS-104 aircraft.

The Institute of Geological Sciences of the Government of Greece awarded the other contract. This survey area, apart from Crete, includes the eastern Peloponnese and extends north-west to Ioannina and north to Thessalonika.

The project extends over 76,000 square kilometres and its main purpose is to assist the Greek Government in planning mineral and oil exploration programmes. Two aircraft, a Piper Navajo and a Piper Cherokee, normally Islander, are being used.

Seals doors against fire

ACTIVATED BY heat to intumesce, a sealant has been developed by Evode which is placed by gun or automatic extruder in the edges of doors or door frames. If there is a fire, the seal swells and closes the gap between frame and door.

Tests at the Timber-Research and Development Association's laboratories have shown that fire resistant doors or frames fitted with the seal qualify for BS 476: Part 8: 1972, Class 0, 1 and 2, and for certification.

Called EvoStick Integuard, the sealant is supplied in paste form in 320 ml. cartridges or 5 litre pots. It is available in white or neutral, and can be over-painted.

Normally the sealant is extruded into grooves cut in the door frame (with which it forms a tough bond) one 10 x 3 mm. groove for a half-hour door and two similar grooves for an hour-rated door. The 5 litre pot will fill 100 metres of groove.

The maker says that ordinary doors can be upgraded to a half-hour resistant standard by filling a 12mm deep joint, filled with the panels with plasterboard. Intuscal is stated to be sufficient bonding 4 mm plywood to both faces, and placing Integuard in a structure to achieve a half-hour, 10 x 3 mm continuous groove fire rating.

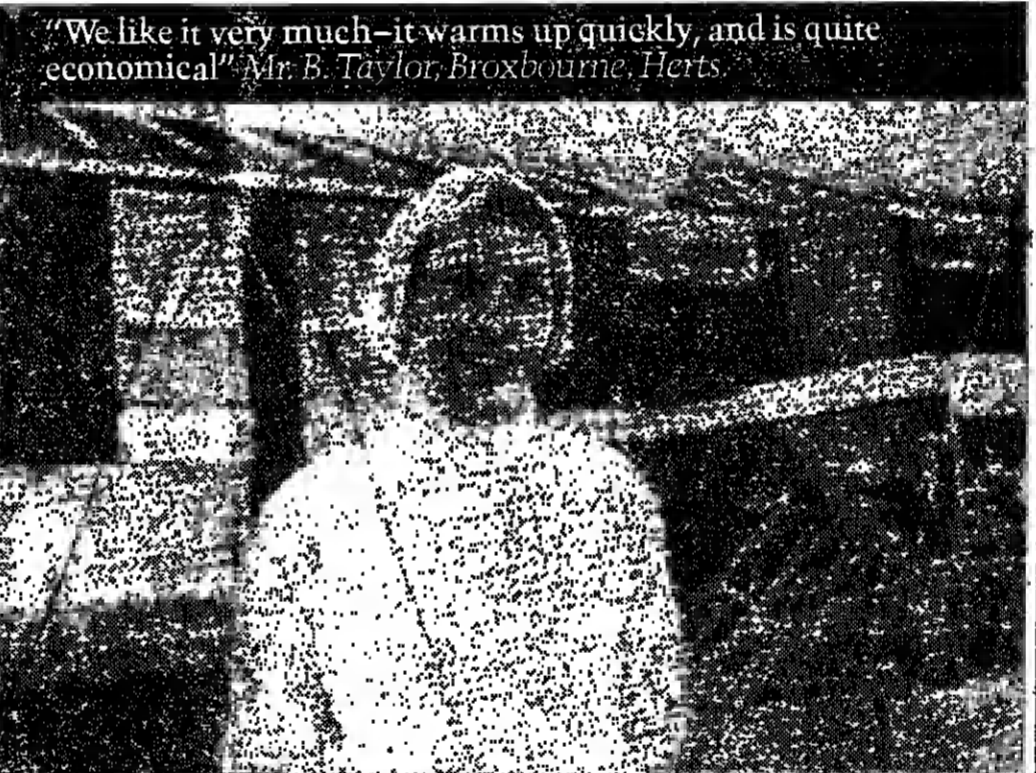
Details from Evode Industrial Division, Common Road, Stafford.

The company is also introducing ST16 SEH (0785 57755).

Hubert C. Leach Ltd. are including electric ceiling heating in 90% of their developments. For all the right reasons.



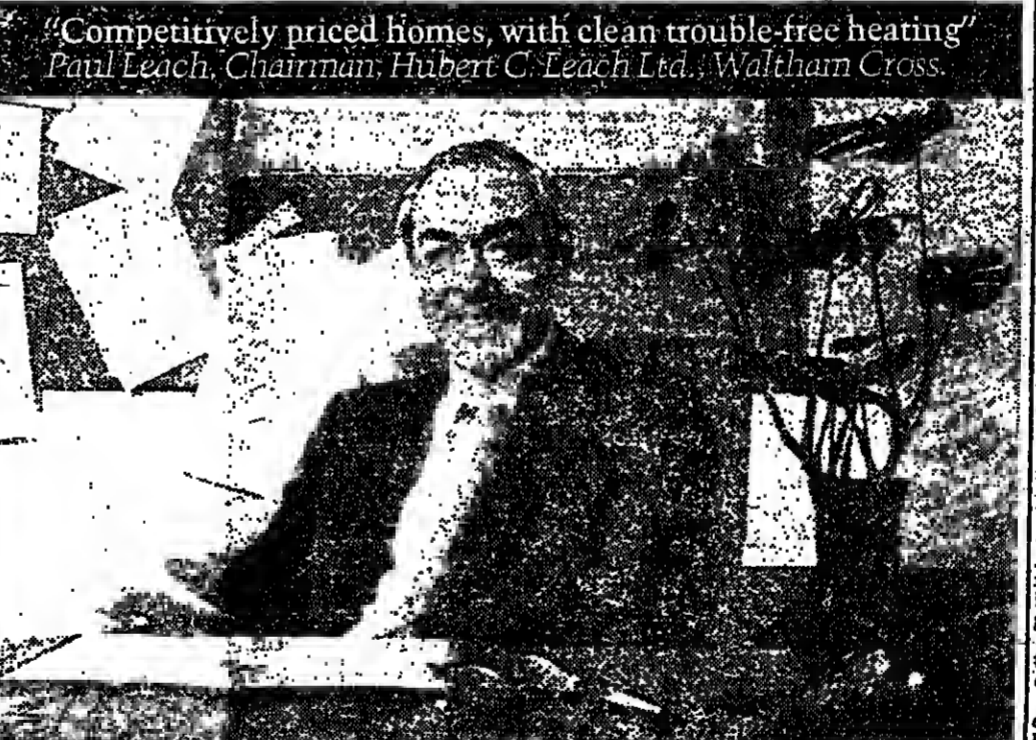
"It's clean, easy to control, and reasonable to run" - Mr. and Mrs. R. Wheeler, Broxbourne, Herts.



"We like it very much—it warms up quickly, and is quite economical" - Mr. B. Taylor, Broxbourne, Herts.



"There's no wasted wall space, and the cost is reasonable" - Mr. and Mrs. K. Orford, Broxbourne, Herts.



"Competitively priced homes, with clean trouble-free heating" - Paul Leach, Chairman, Hubert C. Leach Ltd., Waltham Cross.

Here are just some of the satisfied customers who enjoy the benefits of electric ceiling heating in homes built by Hubert C. Leach Ltd.

"Since 1968 we've been specifying electric ceiling heating in many of our developments, and many more are scheduled," says Paul Leach, the company's Chairman.

"Its low capital and installation costs keep our prices competitive, and customers welcome its cleanliness and convenience.

"Of course the two vital success factors are good thermal insulation and sensible operation. We now build with cavity walls incorporating inner thermal insulating

blocks and foam filling, and install 125mm. of roof insulation."

It's good business to build with electric heating plus good insulation. And we can prove it. Get the up-to-date facts from your Electricity Board, or send for the 'Build Electric' package from David West, The Electricity Council, 30 Millbank, London SW1P 4RD.

It's good business to build with electric heating.

BUILDELECTRIC
The Electricity Council, England and Wales



IN BRIEF

- A range of tower cranes £1.8m. for strengthening 11.6km. cables Topkrik is being marketed by Record Potain, a division of East African Harbours Corp. Richards and Wallington Industries, Mombasa, has awarded a contract to an undisclosed value to lengthen up to 65 metres and capacities up to 20 tonnes and being offered.
- Higgs and Hill has been awarded a £370,000 contract for bridge repairs and roadworks in Grenada. Windward Islands. Work on 30 bridges is called for. Sir William Halcrow and Partners are the consulting engineers.
- Peterborough Development Corporation has awarded a £290,000 contract for the construction of a three-storey office block and shop unit to develop to Battle and Kett, a member of the Mowlem group.
- United Asphalt Company, a member of the Sir Alfred McAlpine Group, has been awarded a contract for Staffordshire County Council under some Harlow.
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The Executive's and Office World

Christopher Lorenz reports on moves to protect computer-held personal information from misuse

Critical costs of computer privacy

THE past six months, danger of being infringed. The checks of the accuracy of personal information; updating it more often than before; destroying all or part of it after a limited period; and providing print-outs of information on individuals whenever requested by the person involved.

The White Paper itself avoided any forecasts of likely costs. The lawyer most heavily involved in its drafting, Mr. Paul Sieghart, was almost equally vague in a book he wrote recently on "Privacy and

accuracy: making more frequent checks on the accuracy of personal information; updating it more often than before; destroying all or part of it after a limited period; and providing print-outs of information on individuals whenever requested by the person involved.

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a detailed study of the likely cost of the various privacy options for a wide range of British computer installations. In view of the fact that 14 countries, plus several international organisations, are considering legislation on computer privacy, or have already enacted it, it is surprising that there seems to be only one widely accepted research study on the subject.

Carried out by Robert C. Goldstein, of the University of British Columbia, it relates to

Centre, is intended to submit to the Data Protection Committee in the autumn. Mr. Ray Ellison of the NCC, who will be one of the survey's prime movers, is encouraging users to lose no time in assessing in detail how their costs may be affected by privacy legislation.

Speaking in London recently at a conference organised by BIS Applied Systems, Mr. Ellison said there were signs that the best way of protecting privacy, rather than the question of costs, will be uppermost in

Demand for U.K. executives is selective

BY JOHN WICKS IN ZURICH

ACCOUNTANTS and corporate lawyers from the U.K. are in particular demand on the international executive labour market, it is claimed by Dr. Joel H. Markus, a managing partner of Zurich-based international consultants, Dr. Egon Zehnder and Partner. He also maintains that British bankers, insurance experts and shipping company executives are also popular abroad.

Whether or not the brain drain is balanced out in the long run, British executives are seen as a worthwhile acquisition for a number of reasons. The U.K., Markus claims, is a very good school for managers, offering special expertise in the financial and various professional fields, an excellent international grounding, good schools of management and—ironically enough—the advantages of working under economic conditions, with the resultant necessary experience in inflation accounting, cash flow management, foreign-exchange questions and the like. British executives are also widely seen as being reliable, honest and fair and less subject than some other nationalities to company intrigue. They frequently also bring with them experience of working in a really large company.

The language question is both a blessing and a drawback. A blessing because English is to-day the language of world business and a drawback because it is hard to find Britons speaking other languages well. The less rigid approach to business, also an advantage in some ways, makes life rather difficult in stricter corporate societies like those of the German-speaking world or Japan, with more rules to abide by and generally tighter reporting requirements.

British executives tend to be less mobile than their American, German or French counterparts — "Don't confuse mobility with brain drain," says Markus. The typical U.K. manager is more loyal to his company, generally speaking, and likes to feel at home in his job, so there is a shortage of good executives wanting to change their employer. Typical age groups for the current brain drain are 30 to 37 years of age and the 43-55 range—the latter being harder to please; the in-between 33-45 group tends to have children at school and may be working its way up through the organisation.

EXTRA COST OF U.S. PRIVACY LEGISLATION

Type of computer system	CAPITAL COSTS		ANNUAL RUNNING COSTS	
	Cost after conversion	Increase on original cost	New running cost	Increase on old
	\$7000	%	\$7000	%
Medical	1,200	65	5,423	41
Law Enforcement	590	584	1,528	220
Credit	2,208	176	24,146	73
Personnel	341	71	373	10
Insurance	5,523	10	14,346	15

Source: Based on R. C. Goldstein, *Datamation Magazine* and *National Computing Centre*.

Computers," though he did describe a licensing system operated in Sweden as having "every appearance of being cheap, effective and not likely to obstruct the normal needs of data processing."

Alarmed at the price

The nationalised industries, on the other hand, are alarmed that the price of their products and services would be forced up again if the Government insisted upon registration and licensing of computers retaining personal information. The Post Office, for instance, told the Data Protection Committee just before Christmas that registration of such computer files, not licensing, should be adopted. But many people question whether a public register of this sort of computer file could fulfil the aim of protecting the privacy of the personal information they hold. Licensing may also be needed, as the White Paper itself implies (though this is not clearly stated).

The problem in trying to evaluate all the contradictory evidence is that no-one has made

the U.S. Privacy Act of 1974. Examining five different types of system, the table shows how the costs can vary widely. In some cases conversion costs can exceed a system's original development cost, while in others they add only a small fraction. The same applies to additional running costs.

The tables, which are based on Mr. Goldstein's work, should not be taken as any guide to the possible actual costs of U.K. privacy legislation. For one thing, the U.S. legislation only covers Federal Government systems, whereas the U.K. White Paper proposed rules for the private sector and all levels of Government, subject to certain limited exclusions. The detailed provisions, on such sensitive issues as providing individuals with print-outs of themselves, could be very different from those in the U.S.

The main significance of Goldstein's figures for the current U.K. debate is that they are spread so widely and suggest that much of the evidence submitted to the Data Protection Committee reflects oversimplified views.

A much better view of likely U.K. costs should be obtained from an independent survey which the National Computing

MPs' minds when they debate the Committee's proposals.

Throughout the international variations of computer-privacy legislation—all with different cost implications—runs a common thread of several basic principles, according to Mr. Ellison. One of the most important is that personal data must be held securely with users "taking all reasonable steps to ensure that information does not fall into the wrong hands," to quote the U.K. White Paper. This sort of rule can be expensive for a user to follow if his system is not sufficiently secure in the first place. One Swedish user bought an expensive computer storage device, only to be told by the Data Inspection Board that it was not secure enough. The result has been a costly re-write of software.

This illustrates one of the key issues about the privacy debate. Computer privacy and security are by no means synonymous, but there is a considerable overlap from the user's point of view. Mr. Ellison considers that many users have still not taken enough steps to protect their data from unauthorised access. Although this may prove a costly prospect for some companies it will not be of coming privacy legislation, in which case they will probably

Accuracy not assured

Mr. Fisher went on in caustic terms to examine what, for some users, could well be the second most expensive aspect of privacy legislation, the print-out requirement for individuals. If users had to pay extra to printout information, it would mean that they could not ensure that the information is accurate at present, he said. "If we need to do this just because of the privacy legislation, we ought to be ashamed of ourselves."

Even if some users see this as a gross over-simplification, they may be somewhat reassured by suggestions that enforcement could be enforced gradually, and with considerable flexibility. A gradual and selective enforcement by a licensing authority would spare many users from expensive adaptations to their old systems; instead, the necessary extra facilities could be built cheaply into new ones when the old were replaced.

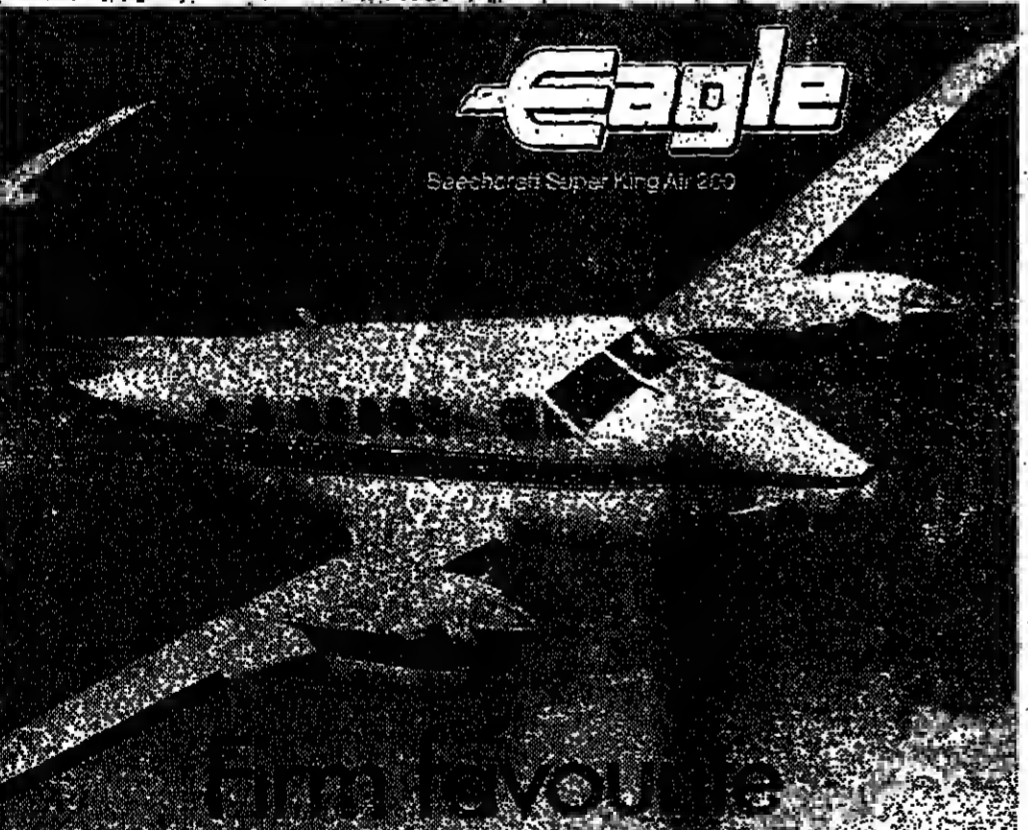
Many of the White Paper's critics have also overlooked its underlying approach of flexibility. On the sensitive print-out issue, for example, it does not argue that all "data subjects" should always be provided with print-outs, as has been implied by some people. Instead, it suggests that the best way for an individual to check the accuracy and relevance of the information held on him will, "in many cases," be for him to have the opportunity to see it, check it and, if necessary, have it corrected. Although this may prove a costly prospect for some companies it will not be of coming privacy legislation, in which case they will probably

Mixed of jobs

Committed to legislation

The Government is now committed to introducing some of legislation on computers and privacy, even though it has yet to be defined. Common with fast-developing international practice, however, the White Paper clearly suggests that privacy includes accuracy; in other words, it implies the concept that if the information held about an individual is inaccurate or outdated, then his privacy is in

250TH-THREE-CHOIRS FESTIVAL GLOUCESTER 1977
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Festival Office, Community House, College Green, Gloucester.



Eagle
Beechcraft Super King Air 200

More and more firms are realising that a company aircraft is no luxury. Its flexibility and range are beyond doubt. It can carry highly paid passengers both locally and overseas, saving expensive (and valuable) man-hours. It can land at lesser known airfields with short runways, putting you "on the doorstep". It allows you to pursue business twenty-four hours a day, unimpeded by airline timetables and out of phase connecting flights. (You might pay for the aircraft in a few flights by clinching an important contract).

In other words, a company aircraft is a fast-moving business machine, designed to make your work hours effectively—and to be as cost-efficient as machine plant or office equipment.

The Beechcraft Super King Air 200 is an exceptional company aircraft. As Neville Duke says: "No other similar aircraft offers such performance, versatility and proven reliability as the Super King Air."

It has a maximum range of over 2000 miles, a maximum cruise speed of 325mph and room for up to 15 people. Its pressurised, air-conditioned interior is superbly elegant, divided into three compartments for perfect privacy.

United Elstons, Sir Alfred McAlpine & Son and Dowty are just three of the companies that have made the Super King Air a firm favourite—so much so that they have all come back for repeat orders.

The Super King Air is part of the unmatched Beechcraft range of business and private aircraft. Eagle Aircraft Services are sole UK and Ireland distributors for Beechcraft, with well over 100 on the British register to their credit.

As well as outright purchase, Eagle can arrange leasing, chartering and self-flying facilities. They also take care of everything in between.

Eagle will be only too pleased to discuss your flying requirements. Ring Sales Director, Neil Harrison on 09273 79971.

Get a Beechcraft working for your firm too.

MANAGEMENT GAME

Hard first round

BY MICHAEL DIXON

THE CRUEL first round of the 1977 U.K. management championship is now completed, and the 896 teams who entered the lists in January are down to a mere 224. The second stage, which starts next week, and the two following rounds to be played by post will sadly remove a further 220 before the "face-to-face" final in London on July 26 decides who wins the £1,000 prize.

Of the first-round survivors, one team should certainly still be shaking with nerves. It is the group called "Syndicus 77" who managed to defeat their nearest rival for a place in round two by just £130. This is the smallest winning margin recorded in eight years of the National Management Game, and compares with a best profit in the first round of the current championship of £10,78m.

According to Jack Layzell, chief administrator of the NMG (which is sponsored by the Financial Times, ICL and the Institute of Chartered Accountants in England and Wales in association with the CBI and the Institute of Directors) this year's contest has confirmed a trend towards multiple entries by big commercial concerns. One company put in nearly 30 teams.

Mr. Layzell concludes that the game is increasingly used by companies as part of their management training programmes. Add to it responding by facing the 224 survivors with a chilly economic climate for at least the early stages of round two. While this will include price controls on the team's "paper" consumer-durable companies and a scarcity of loan finance, however, it will not bedevil them with strikes and fires in the factory. "Those will come later," says Mr. Layzell.

But the NMG's long experience suggests that the more the teams suffer, the more they like it. Numerous of those knocked out in the first round of the championship proper, are already coming forward with the £35 entry fee for the subsidiary National Management Plate competition, which offers a £500 prize. Lists for the plate will close on March 25, and the London final is scheduled for July 15.



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The African conundrum for President Carter

By BRIDGET BLOOM, Africa Correspondent

Planning for change

IF THERE is one thing the Government should have learned from past controversies over factory closures, it is the need for caution in public statements by Ministers.

Worldwide It has been known for a long time, and extensively publicised inside and outside the industry, that the manufacturers of exchange equipment for the Post Office—GEC, Plessey, and STC—would have to shed large numbers of their employees.

There had been hopes that the contraction in employment could have been spread over a number of years and achieved mainly through natural wastage.

"Special" means relaxed

PRESIDENT CARTER revived the phrase "special relationship" during Mr. Callaghan's visit to Washington last week—just as Mr. Nixon did when he first visited Britain as President in 1969.

Mr. Callaghan's visit was the proof of that. There were outstanding issues between the two sides—Concorde, transatlantic flights and the management of the international economy are all examples.

AFRICA still has Washington puzzled. "We're crossing our fingers that Africa will stay on the back burner for a bit longer."

The European visitor to Washington, anxious to know which way the U.S. is going to come down on Africa, finds a confusing scene.

But very soon, even if there is no crisis in Africa itself, decisions may have to be taken. On March 17, President Carter is to address the UN.

The Angola debacle

Had Mr. Carter become President in January 1976 instead of this year, there would have been a remarkable change.

Dr. Kissinger carefully avoided doing so, mainly because he believed it would hamper his main strategy which was to get South Africa to pressure Mr. Ian Smith to transfer power to the black Rhodesian majority.



Mr. Cyrus Vance



Mr. Andrew Young (left) meets President Nyerere during his African tour.

Last month Mr. Young visited Africa as the President's special emissary, meeting over a dozen heads of State on a fact-finding tour.

Mr. Young's penchant for shooting from the hip, and saying what he believes with some disregard for diplomatic niceties, worries his friends.

President Carter

Mr. Young maintains (as do others close to him and to President Carter) that while he, Mr. Vance, and Mr. Zbigniew Brzezinski (whose National Security Council still has no Africa specialist) are all key advisers, the President himself, who has no personal knowledge of Africa, but is reportedly deeply interested and receives daily reports of African developments, will finally determine policy.

the problems of underdevelopment, though whether it can be matched by greater and better directed U.S. aid is another question.

Russian success

Mr. Young certainly believes that Africa neither is nor should be a confrontation area in U.S.-Soviet relations.

Rhodesia problem

Some maintain (ger did) that such a counter-product until the Rhodesia solved. Other object that it might undo the American co-operation for it to follow.

MEN AND MATTERS

A culinary star

Who is the most highly paid chef in the world? The betting is that it's Daniel Dumas, who, like the bankers I wrote about last Friday, is British-trained but whose career has taken him to fame and prosperity in New York.

An American tax battle

The example of chef Daniel Dumas is yet another in the lengthening catalogue of people taking skills away from Britain to the more richly-rewarded pastures of the United States.

Helpful

Sign at a Turkish Mediterranean beach: "Attention: Drowning is forbidden and dangerous."

Patrons report, naturally, that it is expensive but not outrageously so. But what makes Dumas worth paying in six figures? Ronny seems the right person to ask, and he says: "In my long career, I have never met a more all-round and at the same time artistic chef whose great quality, as with all the great chefs, is his complete obsession with cooking. He fires in his kitchen."

Browning believes that the new tax law hits particularly the American exporter in the Gulf. Many U.S. companies, especially the larger ones, pick up their employees' foreign tax bill and their staff only pay taxes as if they were living in the United States.

There are pessimists (and optimists?) who believe the law will reduce the American presence in the hugely expanding Middle East market. The extra tax costs are inevitably going to be passed on to the client, making U.S. products uncompetitive," said a spokesman for one of the large American companies operating in the UAE, Bechtel Corporation. "We

Sports news

You will remember the advice given about inventing a better mousetrap: stand back, said the sage in question, and the world will heat a path to your door.

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Helpful

Sign at a Turkish Mediterranean beach: "Attention: Drowning is forbidden and dangerous."

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FINANCIAL TIMES SURVEY

Monday March 14 1977

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PORTUGAL

Dr. Mario Soares, the Portuguese Prime Minister, is managing to pilot his way through many of the political and economic problems that beset the country. Free elections have been accomplished and EEC membership is a long term ambition.

ernation Revolution of April 25, 1974 — Decolonisation, Democratisation, Development — the first two have now been successfully accomplished.

thirds of its total agricultural land, over a quarter of the adult population was illiterate and wages the lowest in Western Europe. In the 13 years of debilitating colonial warfare in Africa, 1.5m. emigrants legally or illegally left a country that to-day has under 9m. inhabitants — an exodus which since the Revolution has been compounded by the flight of many of the country's top managers and technicians.

owners of nationalised companies are either to get them back or receive compensation if they can prove they were wrongfully dispossessed. A basically Socialist economic structure is written into the 1976 Constitution, which forbids large-scale denationalisation. But some scope is to be left for private enterprise and the next step, eagerly awaited by the business community, will be a law clarifying the borderline between the public and private sectors.

and the majority of the Armed Forces behind President Eanes. The precarious tightrope act that Sr. Soares has to perform is to push through his economic programme without falling foul of either the Armed Forces or his right or the Communists, who won just under 15 per cent of the vote in last April's Parliamentary elections to his left. Although they have frequently canvassed the idea of a coalition with the Socialists, the Communists are fully aware that in present circumstances they have no chance of gaining a foothold in Government — the Army will see to that. But with their stranglehold over the trade union movement they are a powerful potential force for disruption, as they have already demonstrated with a rash of strikes on the eve of Sr. Soares's tour of the Nine EEC capitals last month. Further strikes, it is feared in Lisbon, may be mounted to greet this summer's flock of foreign tourists, of whom the Communists strongly disapprove. The Socialists' continuing inability to secure a strong base in the trade unions has been one of their major failures to date.

always insisted on governing alone and is not likely to be the one to take such an initiative. He has in fact consistently ignored hints by Sr. Francisco Sa Carneiro, the PSD leader, that there should be some kind of coalition or even a merger between the two parties. Together, the Socialists (35 per cent of the vote in April) and the PSD (24 per cent.) would have a fairly comfortable majority.

The approach of the CDS (16 per cent in April) is somewhat different. They favour the formation of a "Presidential majority" of all three parties, governing in close liaison with the President. The rationale is that all three parties supported by General Eanes in last year's Presidential election campaign, while the PSD has sometimes problems. This should be enough for Sr. Soares, who is basically interested in a general country's right to become a member at some time in the future. The state of the economy and in any case precludes immediate entry. Officials in Lisbon are talking in terms of starting negotiations early next year with a view to membership in Government is conspicuously lacking.

the biggest headache. The Portuguese Agricultural Confederation has come out in favour of Community membership, but it has stressed the need for major structural reforms first and warned that these may take 10 to 15 years. On the industrial side there will obviously be problems too, particularly for small and medium-sized companies that have little or no experience of foreign competition. But the Federation of Portuguese industry is confident that a number of important sectors — including textiles, wood pulp, metal-working, car components, foundries and machinery — will be able to meet the challenge. Greater use could also be made of the country's sub-contracting capacity.

Legacy

The Salazar legacy and the upheavals of the Revolution have left Sr. Soares with an enormous task if he is to fulfil his aim of integrating Portugal both politically and economically into Western Europe. Now, after seven months in office in which he was frequently criticised for procrastination, he has finally started grappling with the problem with a major package of austerity measures announced just over two weeks ago — a package that signals a further clear move back towards the principles of the market economy under the watchful eyes of the International Monetary Fund.

Gradually, too, he is trying to mitigate some of the more extreme consequences of the wave of dispossession and nationalisations that followed the Revolution. Although he is pushing ahead with the land expropriation programme, some land has been returned to its former proprietors and the

The Prime Minister's success or failure in getting the economy back on its feet will be crucial not only for the future of his own Government but also quite possibly for the future of Portuguese democracy. Sr. Soares's minority Socialist Government knows full well that it only has limited time to produce results before powerful elements in the Armed Forces decide that it can be allowed to go on no longer. If that point were to be reached, one answer would be to bring one or both of the two main democratic opposition parties to his right, the Social Democrat PSD and the conservative CDS, into the Government alongside him. But there would also be a growing chorus of Right-wing voices arguing that the democratic experiment had failed and the time had come for a return to military rule.

For the moment, the President, General Antonio Ramalho Eanes, is still behind Sr. Soares,

tour of the Nine later this month. For their part, the Nine are distinctly unenthusiastic about starting a new round of entry negotiations before they have digested the full implications of Greek membership, for which negotiations are currently under way in Brussels. France, in particular, has shown little sympathy for the Portuguese approach and has been generally cool towards the Soares Government.

One issue that unites all three Parties is Sr. Soares's drive to take Portugal into the EEC, for which he likes to claim 85 per cent popular support. The Prime Minister has staked his political future on a favourable reply to the formal entry application he plans to lodge in Brussels on completion of his

Negotiations

For the moment, however, Sr. Soares's aim is to give the country a medium-term objective that will both strengthen the foundations of democracy and act as an economic incentive. The Community's democratic requirements should exercise a restraining influence on anyone tempted to try to turn the political clock back, he believes. As for the economy, once it is clear that Portugal is going into the Community, the nation will simply have to pull itself together. But the average Portuguese as yet probably has little real idea of what membership would mean in practice. It is, unfortunately, far too early to tell whether Sr. Soares's faith is justified.

Upheaval

The Communists have also threatened major social upheaval if Sr. Soares were to seek to form alliances with the PSD or the CDS, whom they describe as "reactionary Fascist forces."

in the night back

Reginald Dale, Opinion Editor

UNDER three years since my ended half a century Bonitarian rule, Portugal's has re-entry into the family European democratic is is more or less on a. The threat of a take-over by the Soviet-leaning Communist Party, very real in 1975, and peasants staged mass take-over of farms and factories. The popular movement was the role than in other West European countries. All the institutions of a Parliamentary democracy have finally put in place. In the course of last 12 months, the Portuguese people have freely elected a President and the local authorities. Dr. Mario Soares, the Prime Minister, likes that of the three "Ds" here are the aims of the Red



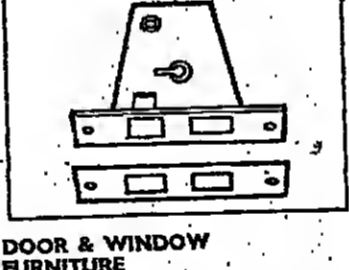
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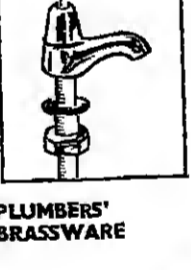
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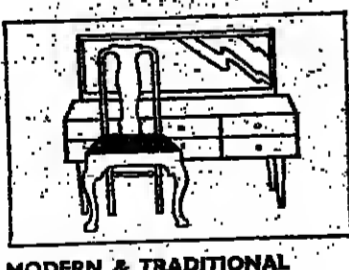
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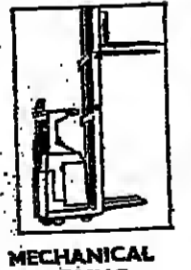
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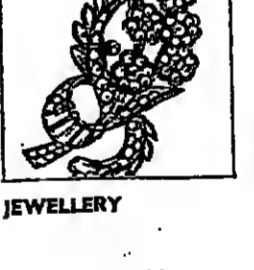


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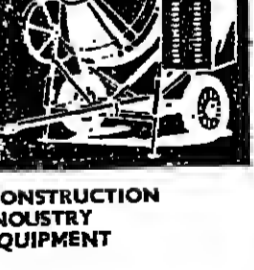


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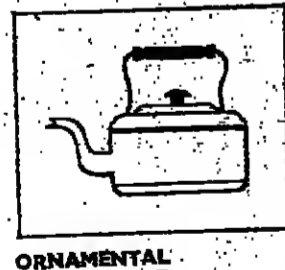
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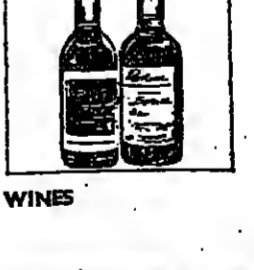


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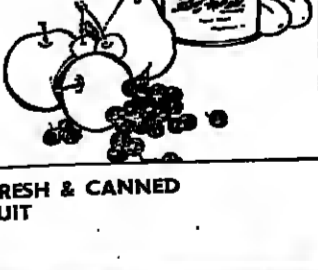


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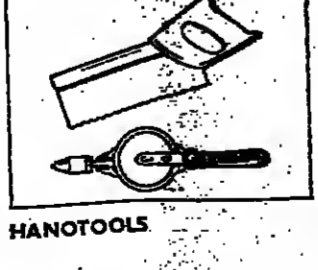
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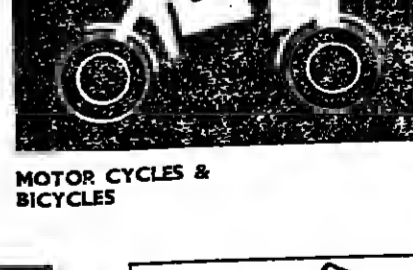
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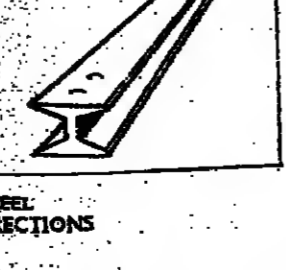
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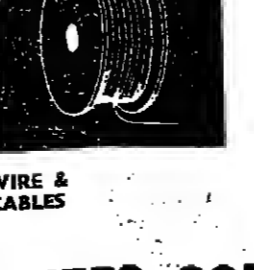
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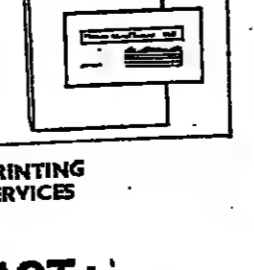
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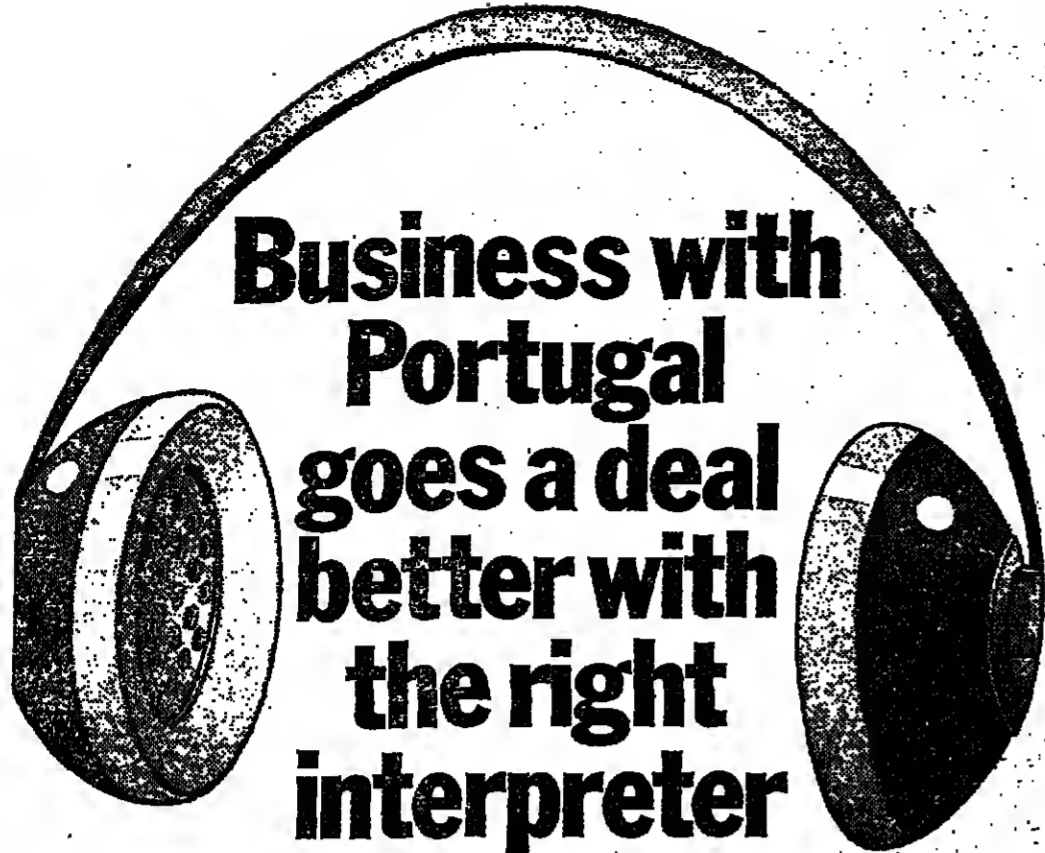
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PORTUGAL II

Drastic moves to avert economic disaster



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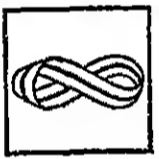
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ECONOMIC RECOVERY IN PORTUGAL

On 25th February, the Council of Ministers of the Portuguese Government decreed a package of important economic and social measures aimed at revitalising the Portuguese economy.

In order to give an overall idea of the measures that were adopted, a summary of the most important legislation that went into effect at the beginning of March is presented below:

—A 15% devaluation of the escudo so as to prevent future fluctuations. The escudo is now linked to the group of currencies of the countries with which Portugal maintains close trade and economic relations. This measure will make Portuguese products cheaper and hence more competitive abroad; it will thus benefit exports and consequently increase output. On the other hand, it will also stimulate tourism as well as investments made by emigrants.

—A rise in the rediscount rate of the Bank of Portugal from 6.5 to 8%; rates will be adjusted to the volume of responsibilities of the banks.

—The whole interest rate structure of the credit institutions, for all types of operations, was also readjusted.

—Creation of a fund to guarantee exchange risks with a capital of one thousand million escudos and approval of the statutes thereof.

—New forms for the total or partial use of deposit accounts by depositors before the end of the terms thereof, as well as the issue of nominal securities representing such accounts. Subject to prior agreement with the credit institutions, depositors may also withdraw funds from their deposit accounts before the end of the stipulated period, in this case receiving lower interest rates.

—Creation of conditions for the opening and movement of deposit accounts in escudos by emigrants, without the systematic need of the authorisation of the monetary authorities.

—Restructuring of the Portuguese credit institutions in France with the objective of integrating those branches which prove to be more adequate and which, in principle, will be granted an autonomous management.

—The issue of 15 thousand million escudos in Treasury Bonds with annual interest rates ranging from 4 to 14 per cent.

—Increasing the rate of Treasury Bonds from 10 to 11.5 per cent.

—Orders given to all nationalised credit institutions to adjust, in proportion to the official depreciation of the par value of the escudo, the counter-value in escudos of exports that have given rise to credit operations carried out before the date of devaluation and the payment of which, by the importer, has not yet taken place.

—Fiscal benefits for companies exporting goods or services.

—Elimination of the period of time applicable to the drawback system in order to speed

things up at the Customs. The surety rate is reduced from two to one per cent.

—Facilities in the reduction of, and exemption from, customs duties.

—Temporary dispensation from payment of the overall emolument of 0.2 per cent. ad valorem, collected by the Customs.

—Restrictions on imports of less essential goods and an increase in the number of non-essential products subject to the surcharge of 60 per cent., with a view to restoring the equilibrium of the balance of trade.

—Alteration of the sales tax as well as the revision of the composition of the lists annexed to the respective code.

—Possibility of making use of the provisional value of indemnities for shares and securities of nationalised companies; to settle debts to the social security system, the State or credit institutions, which otherwise could not be settled.

—Indemnity to be paid to foreign individuals or companies that owned assets of any kind that were nationalised or expropriated after 25th April 1974.

—Economic, fiscal and financial aid for viable firms with financial difficulties. This aid may even include tax reductions or exemptions.

—Re-assessment of the assets of firms in order to show the capital gains resulting from monetary devaluation.

—Regulations for companies that are being managed by the workers themselves.

—Creation of the "shopping basket", made up of products considered to be of prime importance to the consumption of the general population and whose maximum prices are fixed for a period of twelve months.

—Increased unemployment subsidies in relation to the national minimum wage, as well as the up-dating of retirement pensions.

—Extension of the social security system to cover the self-employed.

—Submission of request to sign the European Agreement on Social and Medical Assistance so as to protect Portuguese emigrants.

—Enlargement of the Emergency Agricultural Credit, as well as the maximum amount of loans guaranteed by the Institute of Small and Medium Industrial Firms.

—Changes in the cereals set-up, with the nationalisation of the system of fixing the prices of flour products.

—Establishment of new principles for the meat marketing system.

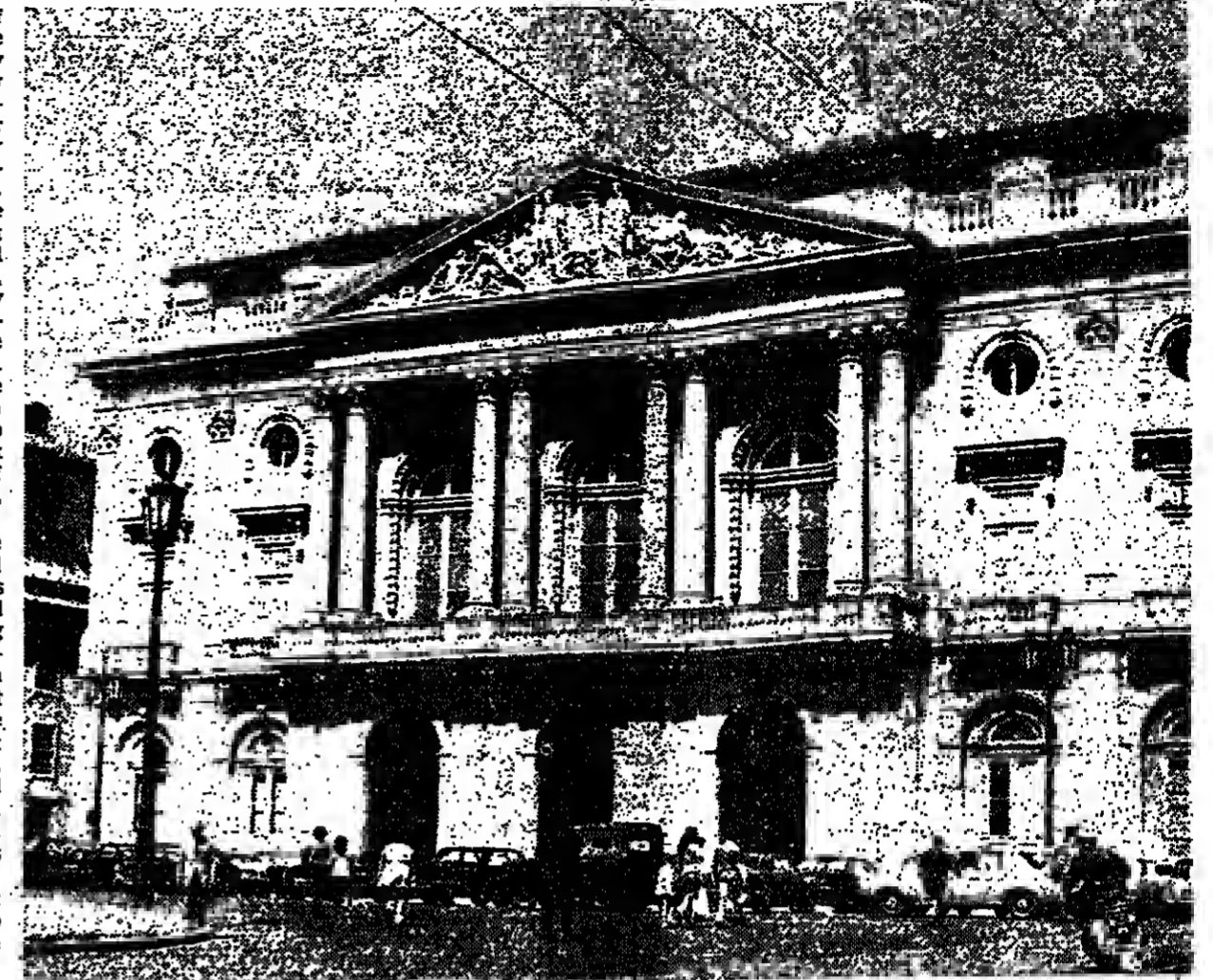
—Extension of the limits of Portuguese territorial waters to 200 miles.

—Establishment of principles for the compulsory use of Portuguese ships or vessels freighted by Portuguese shipowners in exports or imports carried out by public bodies.

AFTER SEVEN months of hesitation, the Portuguese Government last month finally acted to try to head the country away from economic and financial disaster. The major economic package announced by Sr. Soares at the end of February, including a 15 per cent. devaluation of the escudo, came after repeated calls for urgent action from both inside and outside Portugal. Washington, which is lending the country \$300m. on an emergency short-term basis, the OECD and the IMF had all been pressing Sr. Soares to take a firm grip. The same point had repeatedly been made by President Eanes, who said in a much quoted remark in his New Year address: "If we do not overcome the crisis, the crisis will overcome us."

There was clearly little time left to act if Sr. Soares wanted to maintain his Government's domestic and international credibility. By the beginning of the year, the balance of payments deficit was running at an annual rate of \$1.3bn. against \$1.1bn. last year, and way above the Government's initial target of only \$300m. for 1977. Foreign exchange reserves had dropped to a paltry \$140m., and although the country still held considerable gold reserves (worth roughly \$2bn. at current market prices), the Government was understandably reluctant to dip into them. Not only are the gold reserves seen as a final line of defence, to be used only in the utmost emergency, but any major sales on the sensitive gold market would risk driving down the price.

In the weeks preceding Sr. Soares's action, inflation was running at an annual rate of 18-20 per cent., according to official figures. In fact, with food prices soaring in January, the rate may well have been considerably higher. Last year's rate, at 28.3 per cent., was the highest in the OECD. The difficulty of establishing reliable statistics in Portugal is notorious—particularly for the cost-of-living, in view of the wide divergences between



The Bank of Portugal's building in Lisbon.

different regions. Unemployment, swollen by returning refugees from Portugal's former African colonies, had by early in the year reached an officially estimated 16-17 per cent. of the active labour force of 3.2m. But there were thousands more "under-employed"—especially in agriculture, the tourist industry and the civil service—who do not show up in the official figures.

In formulating his package, Sr. Soares chose to go a fair way towards meeting the advice of the IMF, on which he is hoping to draw within the next two months. Portugal still has facilities of between \$150m. and \$200m. with the Fund, and the aim is to draw at least part of this in April to start repaying the first \$50m. tranche of the short-term American \$300m. loan that will then become due. Under the terms of the agreement with Washington, the Government can borrow up to \$50m. every month for six months, with repayment due two months later. Officials in Lisbon maintain that no specific conditions were attached to the U.S. loan, other than the general understanding that the Government must act along the lines proposed by the IMF.

This Sr. Soares has done in imposing price controls on a long list of fuels and foodstuffs, the so-called "shopping basket", raising interest rates, introducing measures to promote private savings and increasing purchase tax to 12 per cent. on ordinary goods and 50 per cent. on luxuries. At the same time, the Government moved to tackle the country's perennial trade deficit, which reached an all-time high of over \$1bn. last year, by extending import restrictions on non-essentials and introducing tax incentives for exports. A wide range of imported goods are now subject to a 60 per cent. surtax and import deposits, which the State-owned banks are not allowed to finance: others are the object of temporary import quotas. Portugal had the foresight not to sign the OECD trade pledge abjuring fresh import restrictions, but the import measures will have to be temporary anyway in view of the country's EFTA and EEC commitments.

Devaluation

Sr. Soares has not followed the IMF, however, in deciding to devalue the escudo by only 15 per cent. The Fund had argued for a devaluation of between 20 and 30 per cent., and the fact that the Government has only gone just over half way to meet this advice is seen in Lisbon as suggesting that it may not be counting on drawing the full Fund facilities available to it. Portuguese economists argue that the structure of the country's foreign trade is so inflexible that any devaluation larger than 15 per cent., designed to offset the inflation rate, would simply lead to massive increases in the import bill without a compensatory rise in exports. As it is, the Government's target for the balance of payments deficit this year has had to be increased to \$300m. in the wake of the latest measures.

Even Sr. Soares's relatively modest devaluation means that he will no longer be able to keep depositors' accounts in the

to his original aim of cutting inflation back to 15 per cent. this year in view of the economy's heavy dependence on imports. Portugal imported a massive \$800m. worth of oil and foodstuffs alone last year—almost £100 a head for every single member of the population. Economists in Lisbon now believe that the annual inflation rate will not now come down to 15 per cent. before November or December. This in turn will make it even more difficult for him to impose the matching 15 per cent. wage ceiling he has called for this year as part of an attempt to introduce some form of tripartite social contract between the Government, unions and employers.

In an appeal to the nation after the measures were announced, Sr. Soares said the 15 per cent. wage ceiling was the only way to save the country from the spiral of devaluation, inflation, wage rises, higher inflation and further devaluation. His hope is that planned increases in social security and health benefits and cheap transport for pensioners will buy the support of the working force, if not the Communist-dominated trade union organisation.

But his measures look like having a rough ride. The Social Democrat PSD has already, with Communist support, criticised the Prime Minister for lack of Western industrialised countries will mobilise a massive

and called for a major Parliamentary debate. The left-wing operation for Sr. Soares's own Socialist Party is unhappy about the measures, and the Communists have condemned the package as a way of making workers pay for the country's economic difficulties and a sop to foreign creditors. "Foreign loans are a garbage strangle the Portuguese economy," said Sr. Alvaro Cunhal, the Communist leader.

Management

Such statements make life particularly difficult for Sr. Soares, who is trying on the one hand to persuade Washington, the IMF and the EEC that the economy is at least under sound management, and on the other to avoid overly antagonising the Communists and the extreme Left who could still unleash potentially destructive social forces. The Prime Minister knows full well that the Portuguese economy can only be saved from catastrophe by massive foreign aid and foreign investment. The offer of compensation to foreign owners of nationalised companies, which accompanied last month's package, was a further acknowledgement of this. It is not just the IMF drawing that is at stake. Later this year the Government is hoping that the major Western industrialised countries will mobilise a massive

Meanwhile the still working on plan for 1977 mended by there are some it will be published as originally intended for real growth of roughly the same rate which is a mistake in some of the coming to be decisive in the country is with Sr. Soares' austerity and sell must produce in and consume less than as last year were announced anxious time, ment while whether it has across.

Banking on the mend

THE PORTUGUESE authorities have gingerly set about the task of repairing the damage inflicted on the country's banking system since the April 25 coup in 1974. Yet, despite moves towards rationalisation there are still no signs of a co-ordinated strategy for the banks which, since the nationalisations of 1975, have literally become the "commanding heights of the economy."

Liquidity

This chaotic situation was in change after November 25, 1975, when forces under the current President, General Antonio Ramalho Eanes, crushed a left-wing military uprising. The boards of the banks were changed and depositors' money started flowing back. The gradually improving liquidity situation of the banks is reflected in figures showing that sight deposits in the year up to August, 1976 (the latest available) were up 28.5 per cent. on the year. This trend has allowed the Central Bank to trim currency in circulation by Esc10bn. last year. (In 1975 shares in circulation doubled compared to 1974.)

Meanwhile first steps towards rationalisation have taken place. Two small banks, Manuel Mendes Godinho and Pancada,

name of revolutionary vigilance. At the same time the newly-nationalised banks were employed as a political weapon to win people to the side of the revolution through remarkably lax granting of credits for consumer spending, a policy whose fruits can be seen in the high rates of inflation prevailing to-day.

Clearly a contract sort, while desirable economic point of come slowly because danger of increasing already high level of ment.

Some of the affected by mergers to find employment a of Portugal itself taken on more and a functioning traditional aid with central bank before the 1974. The Bank of Portugal like the Bank of E its earlier days, with considerable proportion shares in private hand ton of the banks w the Finance Ministry its own inspectorate. Bank of Portugal was of three issuing the other two being the

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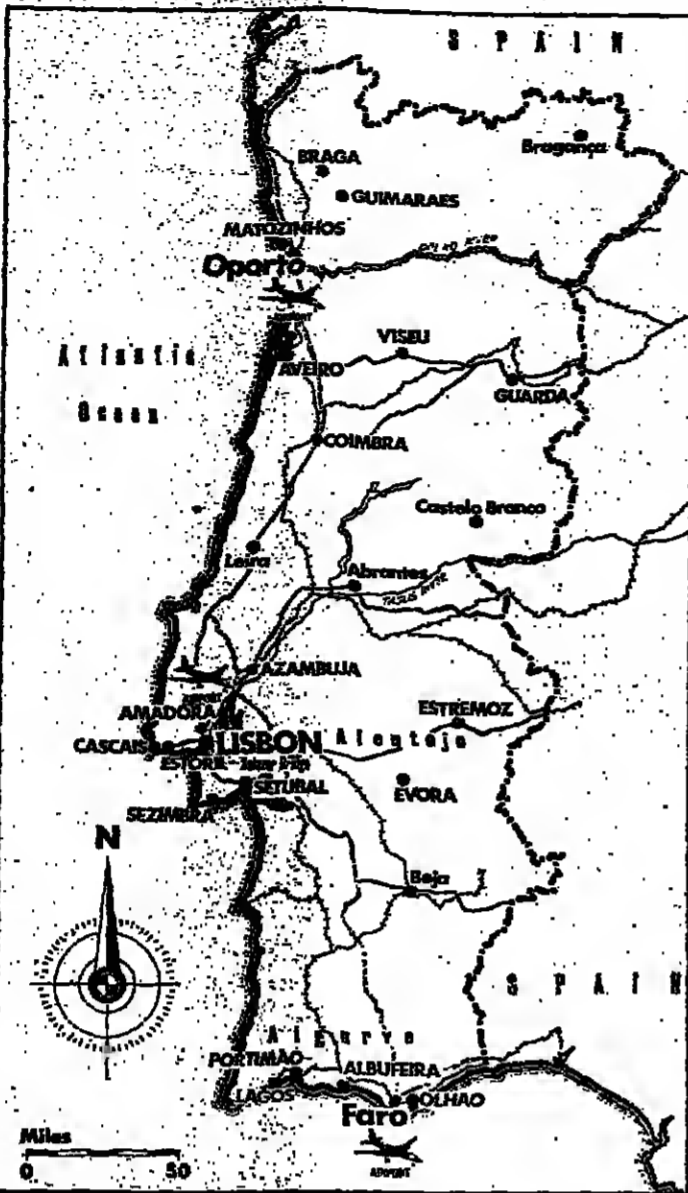
ADVERTISEMENT

Uncertainties in industry

PORTUGUESE INDUSTRY privately and publicly mirrors the uncertainty of Portuguese politics. The lack of guidelines and overall planning, as political storms of 1974-75 abated but there are still sparks of unrest and a wide gulf between management and employees. Production in the transformation industries picked up by 4.2 per cent last year compared with a 10 per cent drop in 1975. Workers have faced up to the country's grim economic realities and settled down to a rather than go absent or up political tubs but there is much ground to be covered as industrial sanity is fully restored.

The regime overthrown in 1974 must bear a heavy share of blame for the aftermath of the April 25 1974 Coup of the military.

Protection of monopolies, displacement of small, medium and regional development, over-reliance on former African colonies for raw materials or most-wanted markets, abysmal wages, non-existent job security, a chance for promotion without connections, police repression of industrial action, an unstable, debilitating 13-year civil war—these factors led to frustration among managers and workers who inevitably released pent-up vindictiveness and dismantled once shackles were removed.



The great white hope of the Government and men planning and executing it is the gigantic Sines complex on the border of the southern Alentejo and Algarve provinces. Sines is the first example of large-scale international thinking by Portuguese enterprises, formerly infatuated with helterskelter development.

The complex will hinge on a deep water port located on vital shipping routes, geared to the tanker trade, with an oil-refinery processing 10m. tons of crude annually. Sines will also include a petrochemical complex built around a steam cracker with an annual capacity of 300,000 metric tons of ethylene.

Sines was devised in the early 1970s in an era of cheap oil but the dynamic, tough men who ran the overall project and the CNP (Portuguese Petrochemical Company, the state-owned autonomously-managed enterprise

Investment

The government contemplates an overall investment of £1.5bn. in the factories, refineries, mines and rock salt deposits, port, worker housing, pollution control, road and rail transport and electrical central of Sines. It is channelling the cream of management and engineers into the project. The next decade will tell whether confidence is justified or whether economists and even officials who see Sines as a belated pipe dream and have recommended its cancellation, have a case.

The huge Sorefame, and other state-owned or subsidised metal-mechanical concerns like Mague and Equimetal have been exporting a healthy number of railway carriages, cranes, gantries and generators in 1976, after a disastrous 1975. Sorefame is also building oil tanks for Sines. State-owned breweries are now selling brewers' yeast abroad, and hope to ship about 15,000 metric tons—some \$3m. worth—to South America in 1977.

Many successes depend on the zeal of individual managers, technicians and workers, grappling with shortages of qualified senior staff after graduates and technicians fled abroad in the wake of the 1974 coup, and with difficulties in firing time-serving or blatantly recalcitrant labour who resist efforts of even militant-communist workers' committees to make them unfold their arms and get back onto the production lines. Furthermore, management—both private and public—complain of bureaucratic red tape, inaccessible ministers and disinterested bank managers, hampering calls for decisions, customs clearance of vital equipment, and finance.

Private enterprise is worried that a government suspended somewhere between worship of nationalisations and worker-management and concessions to the market economy may lean over to the former and replace old private monopolies with a powerful State monopoly carrying the most profitable slice for public coffers and discouraging fair competition. The socialist government walks a tightrope between the Communist-dominated General Confederation of Portuguese Workers, controlling 85 per cent of labour and dedicated to nationalisations, worker-monitoring of management, and resistance to the "rebirth of capitalism", and the emergent Confederation of Portuguese Industry, fighting for discipline of labour, wider scope for the private sector, and a return to private banking (co-existing with State-owned banks, as in France).

The private sector still accounts for 85 per cent of exports, mainly of textiles, cork, pharmaceutical products, cellulose, and tinned fish. It is not about to give up.

Diana Smith



In the sequence of the important decisions taken by the Portuguese Constitutional Government on 25th February, Dr. Mário Soares, the Prime Minister, delivered an address to the Portuguese people, from which the following brief passages are taken:

BALANCE OF PAYMENTS

This package of legislative measures decreed by the Government is basically aimed at increasing production swiftly. But also productivity and investment, so as to ensure the expansion of the Portuguese economy and create new jobs; to reduce domestic consumption so as to diminish the deficit of the balance of payments.

On the basis of the Budget and Plan submitted by the Constitutional Government, the forecasts made by the World Bank about our economy are optimistic enough and foresee the elimination of our budgetary deficits in the space of three or four years.

DEVALUATION

With the agreement of the Government, the Bank of Portugal has decided to devalue the escudo by 15 per cent. This means that the escudo has ceased to fluctuate and has been linked to the group of currencies of the countries with which Portugal has the closest trade and economic relations.

EMIGRANTS

Devaluation has encouraged, and I think that it will encourage, emigrants to invest in Portugal. Knowing that our currency is cheaper for them, it is obvious that they can multiply their investments. In that sense, one of the measures taken was to increase the interest rate for the deposit accounts of emigrants.

TOURISM

At this moment, bookings for the summer are complete. We have an hotel occupancy rate that is over 100 per cent. We are indeed in a good situation with regard to tourism, but we can increase and develop it enormously and it is very important that that should happen.

GOLD RESERVES

Up to now, we have not sold any gold. We have large gold reserves, as is known, of approximately \$U.S. 3.6bn. at the current market price, which means, more or less, 120bn. escudos, of which only a small part is not free, that is, less than a third of the reserves are guaranteeing some foreign loans.

LOANS

In spite of all the loans—some long-term ones with highly favourable interest rates, others short-term ones with the current interest rates of the international market—our foreign debt is effectively high, although it is not extraordinarily so. It stands at \$U.S. 2.17bn. which means—given our still untouched gold reserves, which perfectly cover this debt—that we are and continue to be a solvent country.

AUSTERITY

The problem thus arises of the relationships that must be established between incomes and, especially, wages and prices, relationships that must be programmed and planned.

We are entering a policy of sacrifices, a policy of austerity that the Portuguese people understand. That is why we cannot allow wages to rise more than 15 per cent.

ESSENTIAL OBJECTIVES

The essential thing is, first of all, the maintenance of the political freedoms, the trade union freedoms and due respect for human rights; to put the Portuguese economy in a condition in which it can function and, at medium term, absorb the unemployment in order to ensure the harmonious development and progress of the country.

To start a great plan for the modernisation of our industry, in competitive European terms, reconstruct and develop our maritime economy, fisheries, the 200-mile limit, the ports, the merchant navy, shipbuilding. It is an immense task of national reconstruction, and it is on this task that we must concentrate all national energies.

COMMON MARKET

The measures that have been taken must be viewed also in the context of the complex negotiations we are conducting for Portugal's admission to the Common Market, so as to achieve truly European standards of living for this country.

POLITICAL AUTHORITY

The Constitutional Government therefore feel they have the political authority, strength and popular support to go ahead, so as to remove the country from the difficult period it is experiencing and give new hope, a new path of progress to all our people.

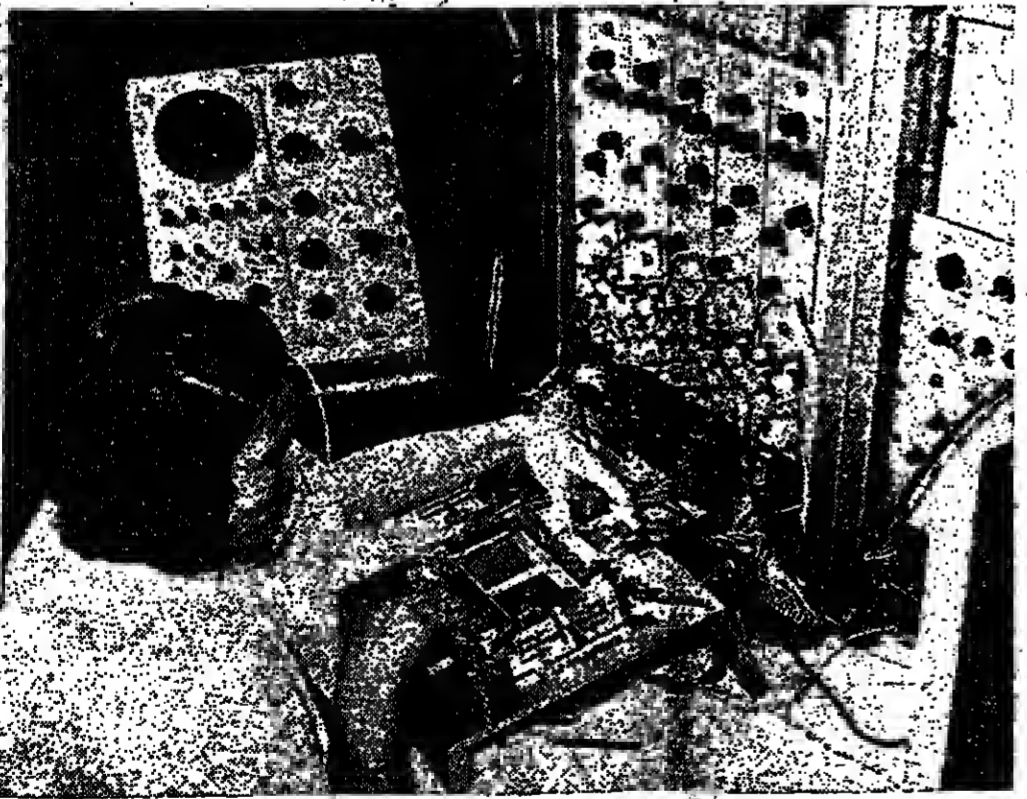
Militant

Private enterprise, to many workers in 1974-75, was the goal to be slain without mercy. Urged on by the militant, re-organised Communist Party, military and civilian units in 1975 nationalised over 70 per cent of fixed capital, for instance, in finance and insurance, and took over banks and mass transport. At the same time, the government straggles its eagerness to enter into joint ventures with foreign concerns, especially in heavy industry.

The draft bill establishing the parameters of public and private enterprise is now at the committee stage in Portugal's parliament. It is likely to include a ban on private activity in finance and insurance, and first example of large-scale international thinking by Portuguese enterprises, formerly infatuated with helterskelter development.

The complex will hinge on a deep water port located on vital shipping routes, geared to the tanker trade, with an oil-refinery processing 10m. tons of crude annually. Sines will also include a petrochemical complex built around a steam cracker with an annual capacity of 300,000 metric tons of ethylene.

Sines was devised in the early 1970s in an era of cheap oil but the dynamic, tough men who ran the overall project and the CNP (Portuguese Petrochemical Company, the state-owned autonomously-managed enterprise



Automatic testing of memories at Plessey's factory in Lisbon.

Banking

CONTINUED FROM PREVIOUS PAGE

Angola and the Banco Ultramarino, this latter being responsible for the then "over-seas province" of Mozambique. The inspectorate was transferred to the Bank of Portugal in September, 1974, giving the central bank a regulatory weapon for the first time. Since then it has steadily increased its powers. For example, last year it assumed control of all foreign exchange calls following the closure of the exchange dealers who had escaped the 1975 nationalisations. (Lisbon cynics felt that the Cambistas-escaped-nationalisation because Gen. Goncalves's family had made their private fortunes from this type of business.) In theory, the situation now is that the Central Bank, while

laying down guidelines for the success in this direction, with commercial banks, leaves them to compete with each other as much as they would if they were in private hands. In the case of financing foreign trade, for example, the individual banks are free to go to the markets as they wish so long as they operate within the spreads laid down by the Central Bank.

The Central Bank has also moved to steer credits towards investment and above all exports. Commercial banks are encouraged to give preferential interest rates to investors and these are reflected in preferential re-discounting rates the Bank of Portugal offers to those banks which are most active in this field. First indications point to some

even beginning to tackle its task. Generally, the feeling in Lisbon is that a weeding-out process will have to take place before a coherent strategy can be adopted towards state-controlled industry. In the case of travel agents, for example, many of the smaller companies are likely to be returned to private hands. The remainder are being grouped under a state holding company, Enatur.

Similar moves are likely to be made in other areas if Government measures provide the breathing space required for a cooler look at future prospects. Portuguese banks are returning to the situation where the proper business of banks is banking rather than serving as ideological charities.

Paul Eilman

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PORTUGAL IV



Mario Soares
 Mario Soares clings. Meanwhile he walks a tightrope without a safety net, relying on his balancing skills to ward off pressures from his left and right.

Old ladies weep and embrace him on his walkabouts. He is an accomplished hand shaker who shuns the attentions of officious bodyguards. An instinctive populist who also enjoys good living, good food and family outings. Wistfully, he said recently: "I'd love to go to the cinema, but I haven't the time. Perhaps I'll go next week — unless we have a crisis."

Mario Soares

MARIO LOPES SOARES, Prime Minister of Portugal, is 52 years old—the doyen of a socialist Cabinet whose ages average about 35. He was born into a republican, liberal family; he confesses to gut reaction opposition to the Salazar and Caetano regimes; he went to jail for his views more than once.

In exile in France, Mario Soares imposed his tough, gregarious, articulate personality on European leaders, cultivating friendships that have stood him in good stead since his triumphant return as leader of the new-born Socialist Party shortly after the April 1974 coup.

Sr. Soares, a law graduate, flirted briefly with communism as a youth, at a time when the current Secretary-General of the Communist Party, Alvaro Cunhal, was a tutor at the private school run by Dr. Joao Soares, the Prime Minister's father.

Mario Soares has undergone a sea change from theoretical marxist socialism to pragmatic social democracy and, sometimes, something more conservative if the moment calls for it. "It's easier to be in opposition than in Government," he confesses. He heads a minority Government which polled 33 per cent. of the popular vote in the December, 1976 municipal elections. He can take nothing for granted.

The Europe of the Common Market is the dream to which



Freitas do Amaral

PROFESSOR DIOGO FREITAS DO AMARAL, 36, is president of the Christian Democrats, the third most popular party in the April 1976 legislative elections.

An expert in administrative law and lecturer abroad in comparative law, the professor is recognised as a cool, determined thinker.

He reads a stately course as head of his party, whose rank and file is markedly more right wing than the leadership, preferring at this time to be the civilised opposition, voting with the Socialists in Parliament when this is in the CDs' long-term interest, rather than being an active gadfly.

He has been invited to head the Commission revising the administrative code—an ironic situation, since the invitation is extended by a Socialist Government to a pupil of Marcelo Caetano, former dictator of Portugal.

Jose Casqueiro

SR. JOSE CASQUEIRO, 37, is a farmer by trade and Secretary-General of the powerful, aggressive CAP (Confederation of Portuguese Farmers) by vocation.

Loved by thousands of smallholders and a handful of once-powerful private landowners, detested by rural labourers, their unions and the Portuguese Communist Party, whose domination in the farming province of Alentejo and Ribatejo the CAP seeks to defeat, Casqueiro is a man who speaks quietly in private and vehemently at mass farmers' rallies.

The power and bluster of the CAP—which put off roads and railways on the eve of the abortive extreme Left-wing uprising of November, 1975, and repeatedly threatened to cut food supplies to Lisbon if the Government ignored its demands to halt the land grab of the time—has forced provisional and constitutional Governments to correct the abuses of the land reform.

Because, deep in his shadows, wearing the mask of democrat or moderate conservative as long as it suits them, stand men whose aim is not so much protection of smallholders or private farmers as a whole, but overthrow of any Government that does not represent a return to the extreme right-wing authoritarianism of the past, the CAP will never enjoy full credibility in the eyes of objective observers.

Meanwhile, Sr. Casqueiro carries the banner for Portuguese farmers, some 700,000 in number—not all of whom accept the CAP as their standard-bearer.

Alvaro Cunhal

ALVARO BARREIRINHAS CUNHAL, 63, is secretary-general of the Portuguese Communist Party—and has been a member of the party since his teens. He is a law graduate.

Under the Salazar dictatorship, he spent 11 years in prison, which ended with a spectacular escape from the high-security fort of Peniche in 1960. Cunhal lived in exile in the Soviet Union and Czechoslovakia until 1974 when he returned in the wake of the



Alvaro Cunhal

April 25 coup to take up his present active role as secretary-general of the party (a position he had held since 1961, but which he could not actively execute).

Cunhal's acquiline features and shock of white hair makes him an arresting figure at the mass rallies over which he presides. He is the unquestionable head of the Portuguese Party, a man whose allegiance to Moscow has been impervious to the siren song of Eurocommunism.

On his party, with its domination of 80 per cent. of Portuguese Labour through the General Confederation of Portuguese Workers, and his flexibility or obstinacy, depends the long-term progress of the Portuguese economy.

Younger communists would not be averse to more elastic attitudes in labour and in politics—but as long as Cunhal is the leader, with the scars, both physical and psychological, he bears from decades of persecution and resistance to a right-wing system, it is unlikely that the Portuguese Communist Party will alter its animosity to what is described as the "recovery of capitalism."

Francisco Sa Carneiro

FRANCISCO SA CARNEIRO, 43, heads the Social Democrat PSD/PPD. A law graduate and member of the Deputies to the old National Assembly in 1969-1973, he tried, generally unsuccessfully, to introduce reforms into the resistant dictatorship of the time.

Founder-member of the PPD, Sa Carneiro has proved himself a pugacious, ambitious opponent to Mario Soares—but until the PSD/PPD increase their present 24 per cent. share



Francisco Sa Carneiro

of the popular vote, he has little hope of heading a successful government formed of the PSD/PPD alone.

His party's declared social democratic image is somewhat tainted by the conservative stance of its branches on Madeira and in the Azores, where the PSD/PPD heads the autonomous regional governments.

Antonio Vasco de Melo

ANTONIO VASCO DE MELO, 45, an engineering graduate who took the advanced course in management at Harvard, is president of the CIP—the Confederation of Portuguese Industry, an organisation formed in August, 1974, to represent the country's 36,000 small and medium-sized private companies.

Member of a prominent and powerful family (his close relatives owned the huge CUF monopoly now nationalised), Vasco de Melo has survived the tribulations of 1974-75 with his position and reputation intact, one of a limited number of men of his breed who stood their ground in the face of verbal and physical threats, adjusted themselves to a new system and resolved to operate within it, while reserving the right to judicious criticism.

The CIP has become an active and strong voice in the campaign to define limits of the public and private sectors, nag the government into encouraging private investment and rationalising labour relations.

At a time when the Communist Party or the extreme Left dominated the Portuguese Press in 1975, de Melo founded *Jornal Novo*, a Lisbon evening paper, as an alternative voice—a moderately conservative one now, after a change in editor.

De Melo is a quiet man with a tired face, who divides his overpressed time between the CIP, *Jornal Novo* and the private industrial wire firm he (and a workers' committee) directs.

Otelo Saraiva de Carvalho

MAJOR (former acting general) Otelo Saraiva de Carvalho, 40, describes himself as a Robin Hood. His warm, somewhat eccentric nature endears him to Portugal's underprivileged—the clientele his extreme Left-wing backers in the MUP (Movement of Popular Unity) hope will return the charismatic major one day to leadership of a new revolution.

Meanwhile, the man everyone calls Otelo with no need for surnames, master planner of the military coup that overthrew Marcelo Caetano's dictatorship in 1974, ex-head of the controversial, unruly COPCON (Continental Operational Command) which appropriated political, military and police powers in 1974-75, former councillor of the revolution, is muzzled by the military authorities as a result of his alleged involvement in the far-left uprising on November 25, 1975, subsequent arrest and release on bail pending trial.

Restrictions on his activities, even some socialists love to be lifted temporarily to allow him to campaign for the presidential elections last June. He stunned those who thought him finished as a public figure by a colourful campaign, red cinema, Portugal with third world connotations in hand, voice raised in the strains of Grandola, Vila Morena, anthem of the 1974 Revolution of the Carnations, which earned him almost 17 per cent. of the popular vote, placing him second to General Ramalho Eanes and decimating the support of the Communist candidate, Octavio Pato.

Otelo is an off-beat revolutionary who admits he has only skimmed through one or two chapters of Marx and claims innate understanding of the dreams and needs of the masses. Many authorities would like to forget Otelo—and like the people to forget him. He is there, however, watchful and waiting for his chance.



Otelo de Carvalho



Ernesto Antunes

Ernesto Melo Antunes

MAJOR Ernesto Melo Antunes, 44, is the theoretical Marxist; soft-spoken, dark-glassed, wearing revolutionary councillor release on bail pending trial. Portugal's right, centre and some socialists love to be lifted temporarily to allow him to campaign for the presidential elections last June. He stunned those who thought him finished as a public figure by a colourful campaign, red cinema, Portugal with third world connotations in hand, voice raised in the strains of Grandola, Vila Morena, anthem of the 1974 Revolution of the Carnations, which earned him almost 17 per cent. of the popular vote, placing him second to General Ramalho Eanes and decimating the support of the Communist candidate, Octavio Pato.

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Major Melo Antunes saw the armed forces movement—a force now fading into distant



President Eanes

memory—as the heir of Portuguese politics remains Head of the National Commission, symbol of the flicker of the Marxist mill the Communist, but a lady non-middle of.

He was instrumental in the overthrow of the Communist-leaning Minister General Calves who drove P stamped towards ruin in 1975 moment, this act keeps Major Melo's political standing secure.

President Eanes

GENERAL ANTONIO RAMALHO EANES, 42 years old, was elected President of Portugal in 1976. A career enlisted in 1955 and way through the ranks, Eanes was not a planner of the coup that put an end to the Caetano dictatorship, which took no role. Returning to where he had won psychological warfare, Ramalho Eanes, until he walked on 11, 1975 when the affair—a disastrous affair—implicated him in the overthrow of a right-wing military government which gave the military and Communist the chance for the forward.

Ramalho Eanes, name, then went out of the public eye. High Command down the strategy of the overthrow of wing military groups that tried on November 25, 1974.

Antonio Ramalho rewarded with a general and later High Command. Thereafter he spent sorting out the country from the ravages and restoring a peace.

Tactician and General Eanes, favourite of political circles, as president is an embodiment of a tutelage to which clings stubbornly elected by 61 per cent. people.

Antonio Ramalho one of the keys to the future. For the role rather than mark could change.

These profiles were written by DIANA SMITH

Agriculture dogged by controversy

OF ALL the issues that have flared up during the past three turbulent years in Portugal perhaps none has been so divisive as agrarian reform—which even now retains its explosive potential.

Any Portuguese Government is constitutionally obliged to push ahead with agrarian reform, as indeed it is with workers' control. The present Cabinet argues that it is maintaining this course. Its opponents on the Left, notably the Communists, accuse it of stealthily dismantling the whole land reform programme.

Agrarian reform was born out of land hunger in the Alentejo, the area to the south of the River Tagus where most of Portugal's latifundias were located. Many of the big estates were kept simply as week-end retreats for rich Lisbon-dwellers. Until shortly before the 1974 revolution the Alentejo's population pressure was eased through emigration to France or West Germany and by the exodus of workers to the building sites of the Algarve and Lisbon.

Both France and West Germany suspended immigration from Portugal in 1974. The revolution put an end to tourist developments in the Algarve and office-building in Lisbon.

Those who headed back to the Alentejo and those who had stayed behind were assiduously wooed by the Communist Party and the extreme Left (the Party has a long history in the Alentejo of underground resistance to the old dictatorship). Both made dispossession of estate owners a major aim as the Portuguese revolution headed Leftwards in 1975.

Rules covering how this process would occur were gleefully ignored by farmworkers as they seized properties throughout the region, often literally giving owners only a moment's notice to quit. Leftist

officials attached to local agrarian reform institutes encouraged workers to ignore legal channels, arguing that the seizures could be formalised later.

The result was chaos. Portugal, which once exported more cork (a principal Alentejo product) than the rest of the world combined, has now been forced to import cork to keep its cork-processing industry going.

Altogether some 2.5m. acres were expropriated, only 1m. of them legally. Huge sums of public money were plunged into the new co-operatives but output, as measured in terms of yield, declined.

The Government estimates that the equivalent of 283m. went to agricultural co-operatives in the form of credits between May 1975 and November last year. Only 18 per cent. of this money has been accounted for, a shortfall which drove the Farm Minister, Sr. Antonio Barreto, to suspend temporarily the whole credit scheme at the end of the year.

Reform

Supporters of agrarian reform argue that the benefit of this expenditure can be seen in 1975's high wheat crop, which allowed Portugal to reduce the cost of its wheat imports in 1976 by 80 per cent. Last year's crop is estimated by the FAO to be only marginally below 1975, but given the fact that expropriations have brought much new land into use, the yield per acre actually fell by 14.5 per cent, hardly a good sign in a country dogged by traditionally backward farming techniques.

The inexperience of many of those who carried out the expropriations also resulted in the decimation of Portugal's livestock herd as cattle, sheep and pigs were slaughtered to raise

cash for the co-operatives. The country is now going through a major meat shortage, much of the blame for which must be attributed to these slaughtering. In the first nine months of last year the price of pork alone rose by 454 per cent.

It is hard to rectify this situation, and also to reassure potential foreign creditors, the Portuguese Government has made a start, albeit a timid one, on introducing some sort of order in the Alentejo. This will be done partly through restoring properties to dispossessed owners and partly through measures designed to break up into more manageable units some of the bigger co-operatives.

Success in this could bring considerable political benefits to the Government, which is determined to break the political stranglehold the Communist Party exercises in the Alentejo. Not that the drama of the land grabs in the Alentejo is the whole story as far as Portuguese agriculture is concerned. Perhaps a stronger brake on the country's progress towards self-sufficiency in food is the smallness of most farms to the north of the River Tagus. (The difference between areas south and north of the river arose through the granting of large tracts of land to nobles who drove out the Moors from the Alentejo region and to a bout of land speculation in the area at the turn of the century, while to the north the lack historically of a law of primogeniture produced the fragmentations of landholdings.)

The last proper census of the Portuguese countryside, conducted in 1966, revealed that 90 per cent. of those who drew their livelihood from agriculture were occupied in farming plots of 45 acres or less. This pattern remains north of the Tagus, the heartland of the farmers' protest movement, the Confedera-

tion of Portuguese tourists, which has a bitter campaign against agrarian reform.

Previous governments totally failed to reach holders that they were 'sucked up into the reform programme' was some evidence Barreto's predecessor, Cardoso, was planning areas north of the T. on the points system used whether a property for expropriation.

Task

The major task of the present Government is how to win the trust of the farmers north of the Tagus that it can introduce measures to make their more productive while same time not laying it to attacks from the Left that it is giving up reform altogether.

Portugal badly needs its agriculture more plentiful. More than half the food has to be imported from the north. A heavy burden country with trade pro as those of Heavy rains, this will imports bill for 1977 even higher than in 1976. At the same time the population is growing and living on agriculture or later many of them will have to be taken from the land, but only come if the programme of economic reform is successful.

Present signs point to a source of considerable concern for a long time ahead.

In view of the new European dimension for Portugal, the portuguese Banks wish to reaffirm their belief in tradicional forms of trading

- Banco da Agricultura • Banco de Angola
- Banco Bôrges & Irmão • Banco Espírito Santo e Comercial de Lisboa
- Banco Fonsecas & Burnay • Banco Intercontinental Português
- Banco Micaelense • Banco Nacional Ultramarino
- Banco Pinto de Magalhães • Banco Pinto & Sotto Mayor
- Banco Português do Atlântico • Banco Totta & Açores

Working for a new Portugal



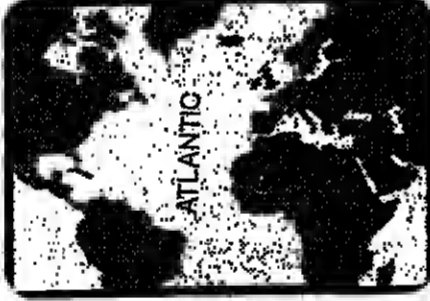
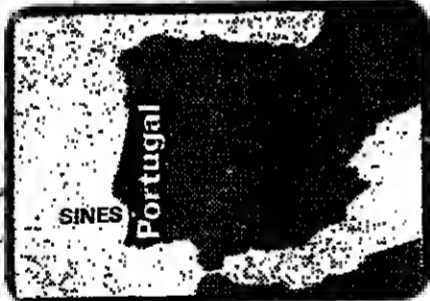
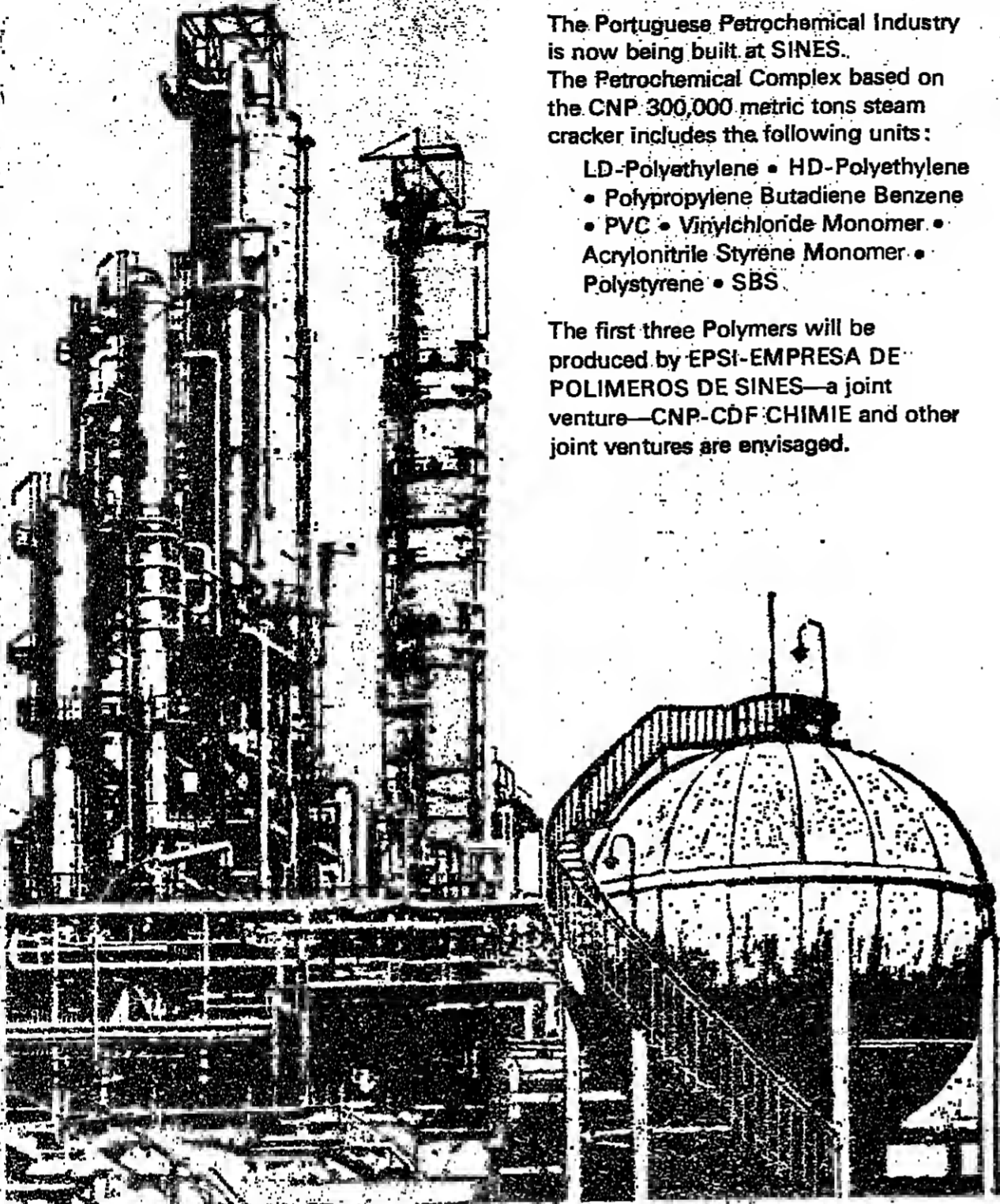
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FACING THE ATLANTIC A NEW PETROCHEMICAL CENTRE IN EUROPE CNP-SINES

The Portuguese Petrochemical Industry is now being built at SINES. The Petrochemical Complex based on the CNP 300,000 metric tons steam cracker includes the following units:

- LD-Polyethylene • HD-Polyethylene
- Polypropylene Butadiene Benzene
- PVC • Vinylchloride Monomer • Acrylonitrile Styrene Monomer • Polystyrene • SBS

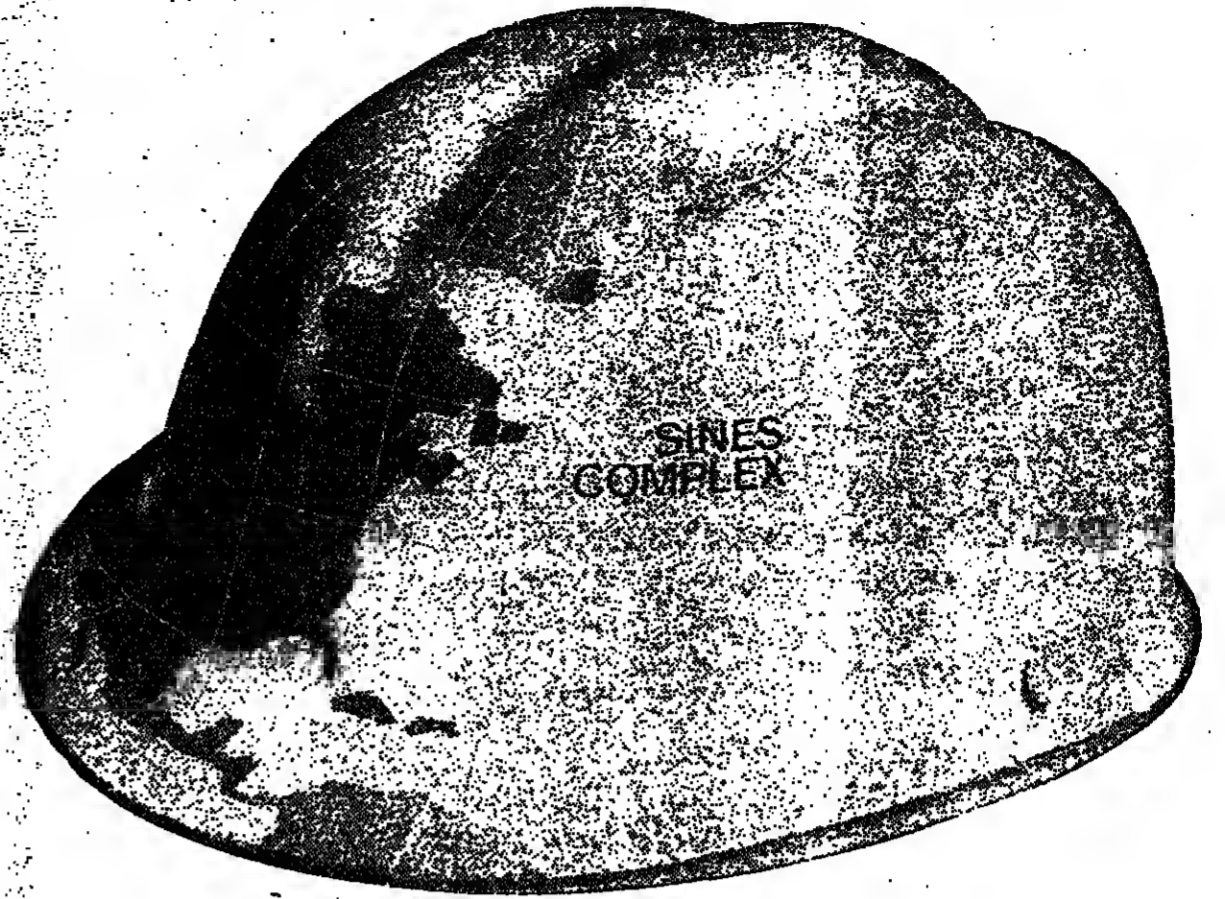
The first three Polymers will be produced by EPSI-EMPRESA DE POLIMEROS DE SINES—a joint venture—CNP-CDF-CHIMIE and other joint ventures are envisaged.



COMPANHIA NACIONAL DE PETROQUÍMICA
Artilharia Um, 79, 7.º Lisboa - Portugal - Tel. 67 60 71 - Telex 16557 - PETROS P



Jeppia



SINES COMPLEX, a gateway to Europe.
Major Oil Terminal, Ore Terminal, General Cargo Terminal, fishing harbour.
October 1977: berth for tankers up to 130,000 d.w.t.
December 1977: berth for tankers up to 300,000 d.w.t.
December 1978: berth for tankers up to 500,000 d.w.t.

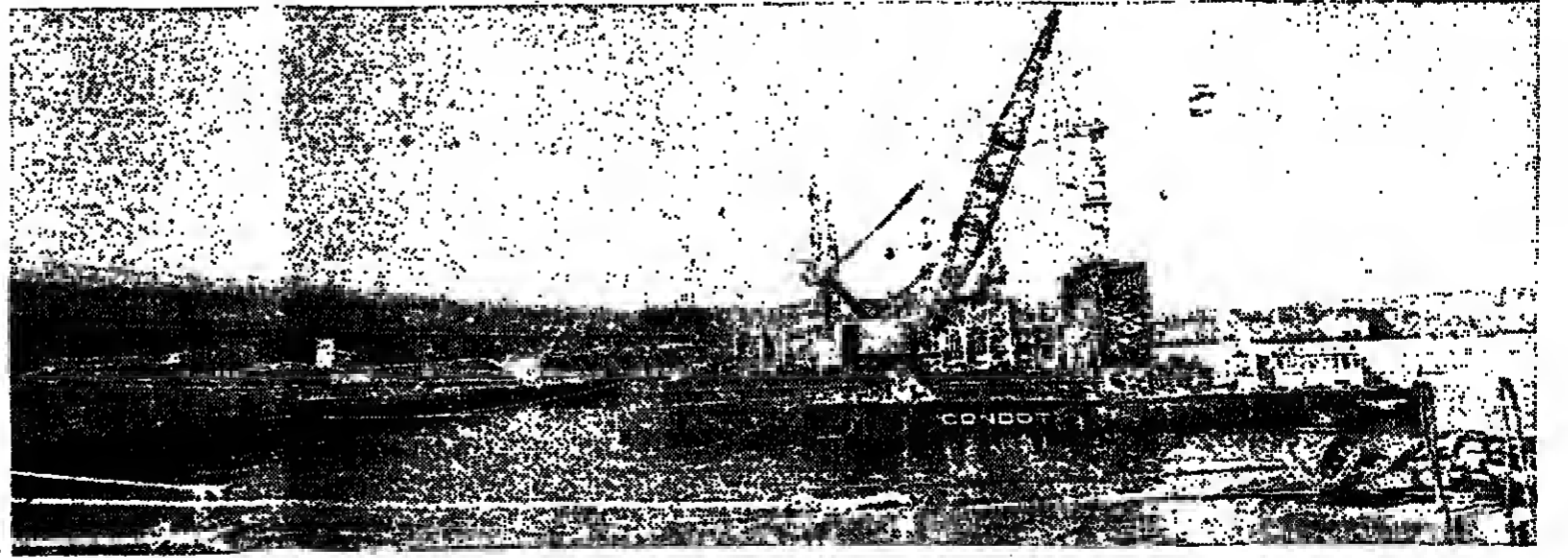
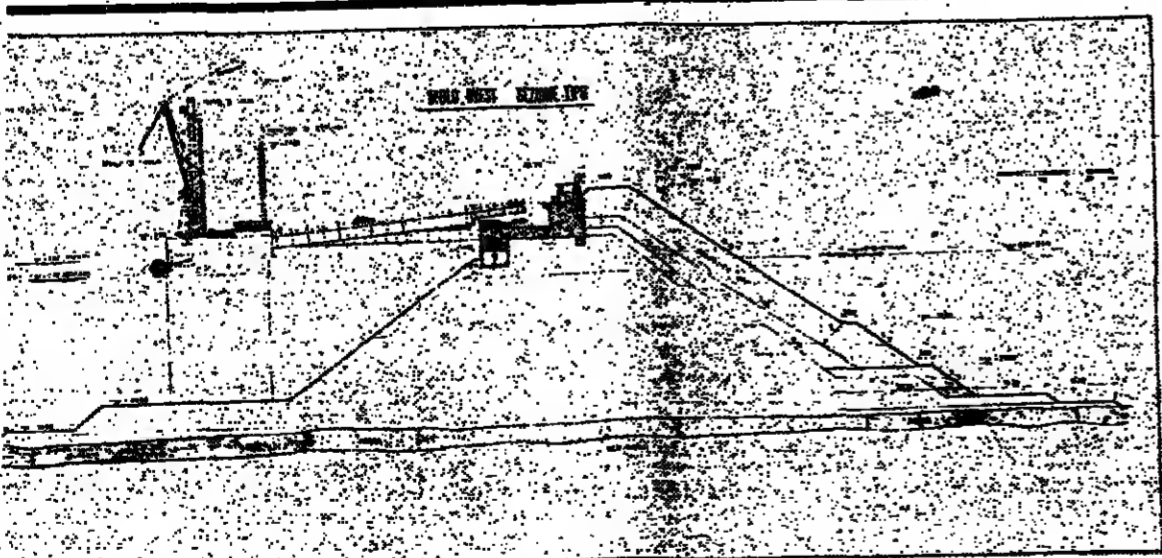
SINES COMPLEX an investment opportunity.
Refinery, petrochemical complex, fertilizers complex, heavy metal-mechanics, chemical industry and non ferrous metallurgy, several unities of light industry, complex for pyrites processing.

Atlantic Europort SINES COMPLEX A concept for the World

SINES COMPLEX a new way of living.
New town for 100,000 inhabitants, leisure activities, protection and preservation areas, road and railway networks, public services.

SINES COMPLEX, a responsibility for a Nation.

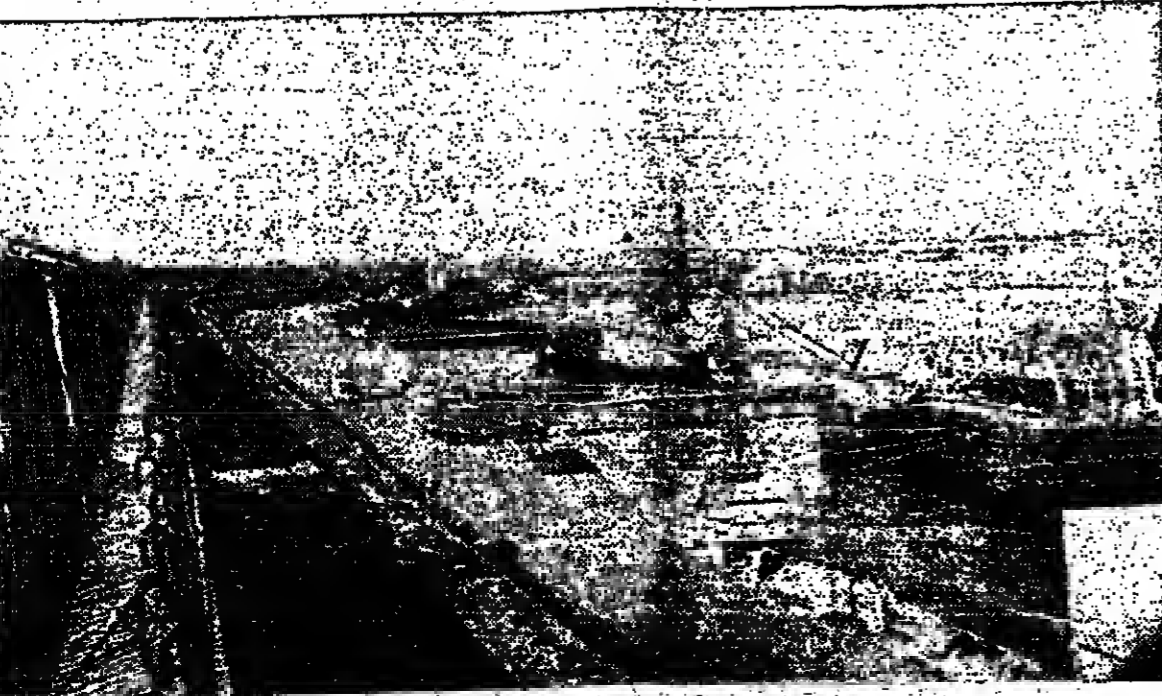
PORTUGAL - Gabinete da Area de Sines
Rua Artilharia Um, n.º 33 - Lisboa
Phone - 65 55 40/9
Telex - 12572 GASLIS P



Società Italiana per Condotte d'Acqua Roma Sines Dockyard

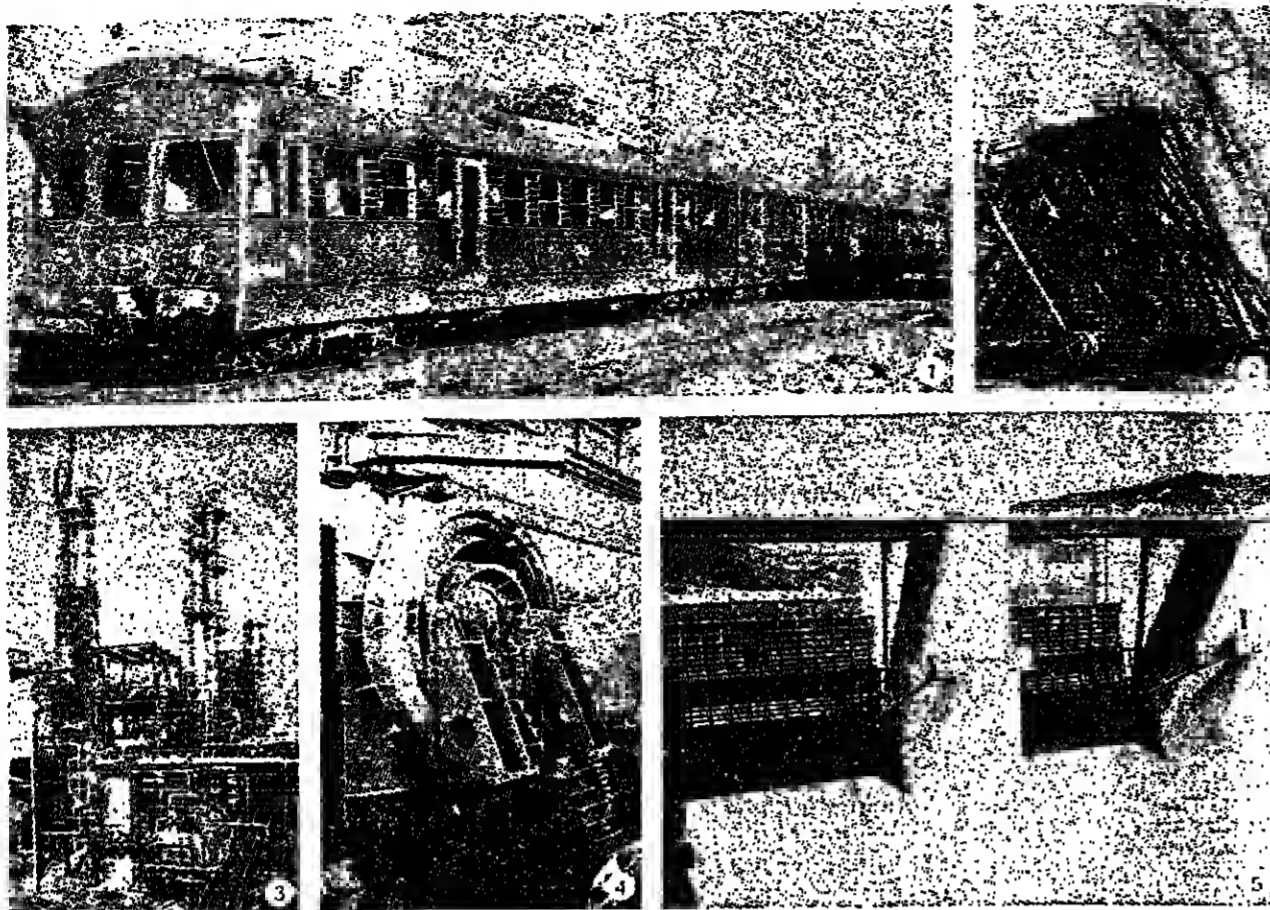
DATA AT DECEMBER 31st 1976.

Working hours	6,700,000	Rock mc	5,967,237
Concrete mc	168,059	Caissons met. 17 x 22 depth of foundation from -15 to -35 ...	7
Re-inforced concrete mc	11,316,169	Caissons mt 15 x 15 depth of foundation from -15 to -35 ...	13
Dolosse 40 tons (Caisson units)	No. 13,981		
Dolosse 15 tons (Caisson units)	No. 1,289		



PORTUGAL VI

A PORTUGUESE INDUSTRY GEARED TO THE WORLD



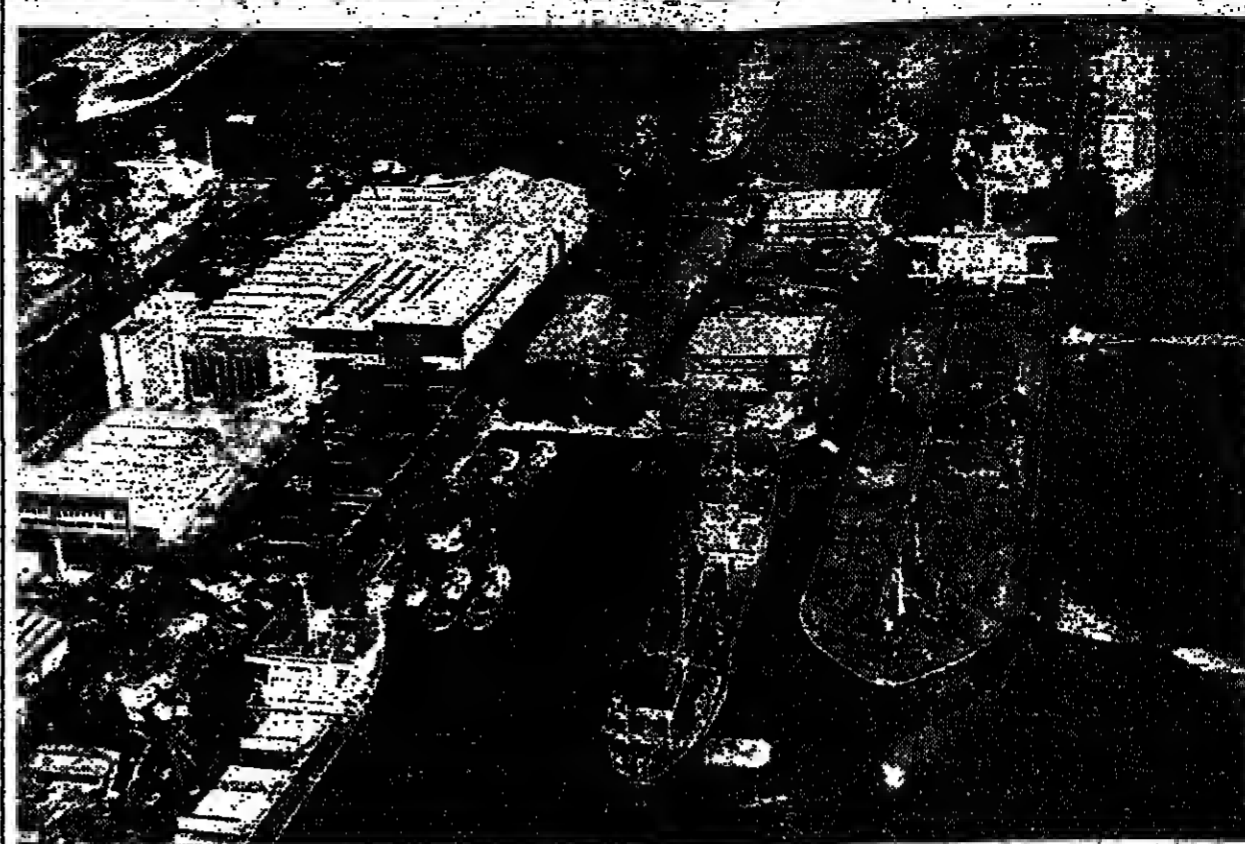
- 1 - RAILWAY ROLLING STOCK
- 2 - OFFSHORE EQUIPMENT FOR OIL EXPLORATION AND PRODUCTION
- 3 - EQUIPMENT FOR THE CHEMICAL AND PETROLEUM INDUSTRY
- 4 - ELECTROMECHANICAL EQUIPMENT FOR HYDROELECTRIC AND THERMAL POWER STATIONS (CLASSICAL AND NUCLEAR)
- 5 - HYDROMECHANICAL EQUIPMENT

EXPORT

ANGOLA · ARGENTINA · BRAZIL · COSTA RICA · FRANCE · GUATEMALA · INDIA · IRAN · IRAQ · ICELAND · KUWAIT · MALAWI · MOZAMBIQUE · MOROCCO · MEXICO · NICARAGUA · PAKISTAN · RHODESIA · SOUTH AFRICA · SUDAN · TURKEY · UGANDA · U.S.A. · VENEZUELA · ZAIRE



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Lisnave's shiprepairing yard.

Shiprepairing well established

SHIPREPAIRING OCCUPIES a strategic position in the Portuguese economy with the Lisnave yard, on the Tagus estuary, alone accounting for some 5 per cent. of the country's total export earnings.

As an industry, Portuguese shiprepairing came into its own with the advent of the supertankers, the giant vessels plying between the Gulf and North-West Europe.

Lisnave's South Yard, which can in theory cope with a VLCC (Very Large Crude Carrier) of up to 1m. tons—should such a monster ever be built—was opened in 1967, the outcome of a commercial venture established in 1961 by two Portuguese, three Dutch and two Swedish shipyards.

Its big selling point was, and still is, the geographical location of the Tagus on the way to the Gulf. Unlike yards located nearer to West European terminals, the Tagus offers owners two to three days' sailing time on the way back to the Gulf.

This is the period normally needed to allow dangerous gases to disperse before repairs and maintenance work can begin on a tanker. Going to the Tagus meant that owners could do this at sea instead of waiting in port while harbour dues mounted up. Early successes prompted a further expansion of the South Yard (a smaller repair facility is located in the heart of the Port of Lisbon itself on the opposite side of the estuary) in 1969-70, ultimately giving Lisnave the biggest repair facilities in the world.

The boom lasted until the after-effects of the Yom Kippur War in 1973 began to make themselves felt. Around 140m. tons of shipping passed through Lisnave in that year. By 1975 the annual tonnage was down to below 100m. tons. This reflected the laying up of supertankers, the introduction of slower cruising speeds as economy measures by owners and the lengthening of maintenance cycles.

The Portuguese yard also had to meet the effects of the revolution and the image of instability this projected to the outside world. Although shiprepairing did not escape the general turbulence of Portuguese politics after the revolution, many of the reports of workers exercising unbridled power to make excessive demands on management were untrue.

Productivity did indeed slump, particularly in 1975, when the Leftward trend of the revolution was most apparent. But this was offset by a general lack of demand which managed to ensure that the yard met all its repair and maintenance deadlines.

The fall in demand coupled with a general rise in costs resulted in a loss of Esc.128m. in 1975, compared with a profit of Esc.244m. in 1974. The yard is, however, predicting that results for 1976, expected later this month, will show a return to profit.

At the same time there is talk of restoring the third shift at Lisnave to cope with increasing demand from tanker owners. The workforce seems to have recovered from its initial militancy—less time is now being taken off for political meetings and the latest pay negotiations saw the workers settle for relatively modest (by Portuguese standards) increases of 10-15 per cent.

Relations between the Portuguese Government, which acquired 30 per cent. of the shares in Lisnave during the 1975 wave of nationalisations,

and the overseas shareholders have also considerably improved over the past 16 months.

But while Lisnave appears to have ridden out the storm without suffering structural damage, considerable doubts continue to surround the commercial seaworthiness of Portugal's other big yard, Setenave, which was officially launched last year.

Setenave, located on the Sado River estuary outside the town of Setúbal, some 25 miles south-east of Lisbon, was conceived at the height of the tanker boom as a yard devoted to building supertankers.

Tankers

Provision was made for a building dock in which tankers of up to 700,000 tons could be constructed and the yard was fitted with magnificent equipment, including a 500-ton gantry crane built by the Portuguese engineering company, Mague.

Unfortunately, Setenave, which is wholly State-owned, came on-stream when prospects for shipbuilders generally, and tanker-builders in particular,

had never looked bleak, and there must be considerable scepticism as to whether the Esc.5hm. invested in the yard will ever show a return. Not that any Portuguese Government, faced with high unemployment, could seriously consider writing off the investment.

Building work contracted by Setenave consists of a section of a VLCC for the Portuguese national tanker line and a built-in Baharat tanker for the same company. No other building work is in the pipeline and the yard is being forced to turn towards repairing as its principal source of revenues.

In this connection Setenave took part in a marketing arrangement with Lisnave under which the two companies share work on an 80-20 basis. This ended last December but it is expected that a new agreement will be reached in the near future.

Mention was made earlier of the strategic position shiprepairing has come to occupy in the Portuguese economy as a whole. This is not just because

of its importance as a repairer. The 'reduction' of skills and has spin-off effects in industry as a heavy lift company asked to do so now has won from the U.S. a contract for the repair of an Arab oil-product tanker repairing as its principal source of revenues.

In a country for its aggressive world market shiprepairing ample many of follow, particular is ever to es shacks, which West Europe's country.

have poured in new machinery a the first sector in the 1974 militar trade is diversify wines and new Croft's Muscari, now being launt energetic campai The recent 15 valuation of the have little need port wine export quoted in local in escudos, and do fourth largest of trade, may suffer 50 per cent sales and spirits—which try intends to pro Oporto is not ju It is a noisy, th the mouth of an oil metal industries at with the cathedral 45km. away and rounding towns, ce tugal's textile tra and artificial fibre, lng, fishing lines, carpeting).

Unlike scatterbra Lisbon, Oporto is: servative: unlike the lng spreads of the south, the north is minute farms v weatherbeaten mer little need for ch- antiquated method: The textiles secto; mail, to the detrix Portuguese economy It boasts about 6,000 employs over 270,000 85 per cent. of female.

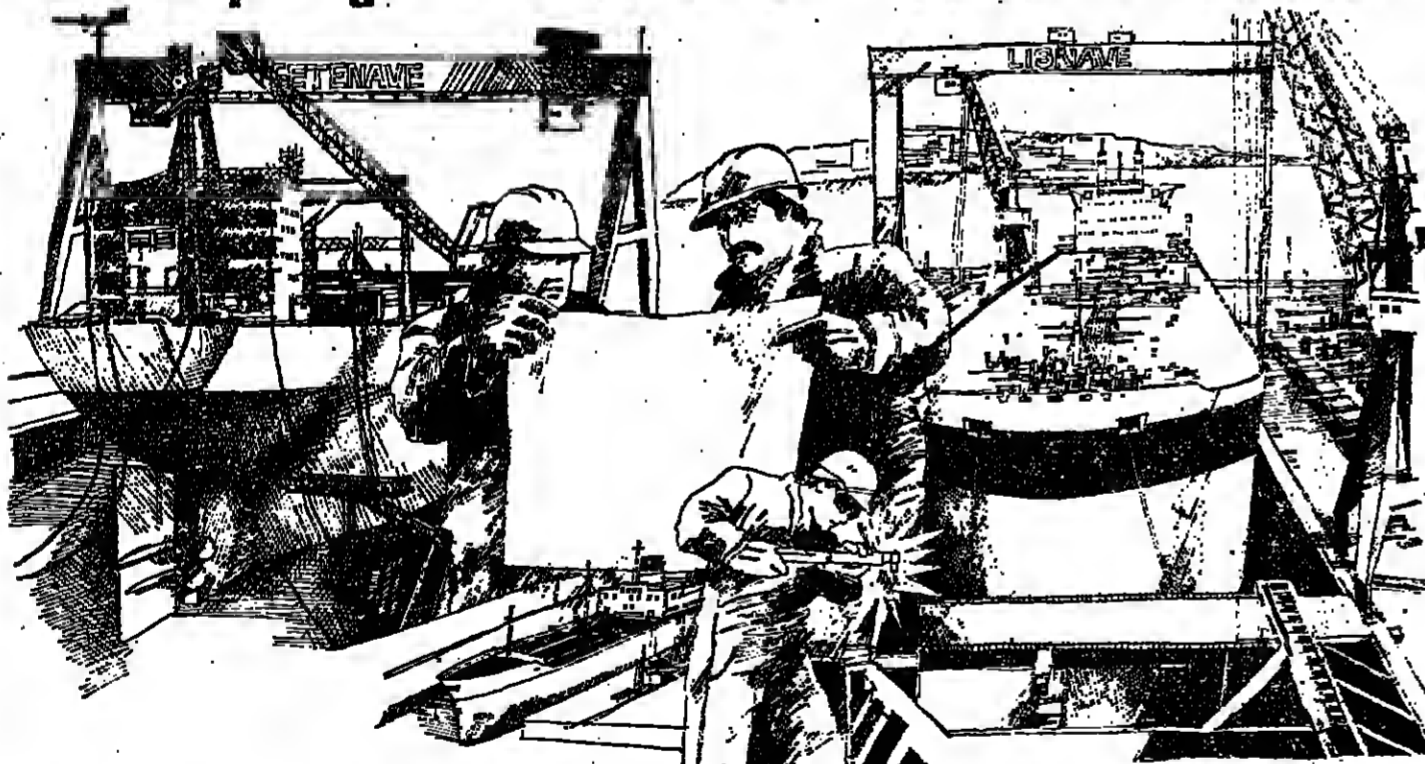
The sector enjoyed the mid and late labour and fuel c cheap, raw material and policies secure Salazar and Gaetan ships. In the late early 1970s, forel moved in to cash in look to the future with some confidence. Portuguese wine docile labour, using generally is climbing the list of facilities. to imp key exports. The port people materials and expor

Several port companies are now majority owned by British groups such as Maxwell Joseph's Grand Metropolitan, or Harvey's but retain their very special Anglo-Portuguese character and drive. The port wine trade is one of the few sectors of Portuguese activity that can look to the future with some confidence.

Continued on next page

OUR DRYDOCKING CAPACITY KEEPS ON GROWING

2 new repairing docks for 350,000 and 700,000 tdw are available



The highest quality of ship repair service



LISNAVE ROCHA YARD
Where we are small enough to carry out any kind of repair work on ships up to 21,000 tdw.



LISNAVE MARGUEIRA YARD
Where we handle the most complex, repair and conversion works on ships of any size.



SETENAVE MITRENA YARD
Where we are growing to meet the market's demand for versatility.

We offer now, in our 3 yards, a total of 9 drydocks for ship repairs up to 1,000,000 tdw.

LISNAVE
Estaleiros Navais de Lisboa, S.A.R.L.
Avenida Alfredo da Silva, 1 - Alameda
P. O. Box 2138 Lisboa 3 - Portugal
Telex: 16370, 12649, 18172 A-B LISNAV P

setenave
Estaleiros Navais de Setúbal
P.O. Box 135 - Setúbal - Portugal
Telex: 13143-16170-16171 - SETNAV P

- Agents/Representatives:
- Brazil - Sonave S.A. - Comércio e Indústria / Rio de Janeiro
 - Denmark - Aktieselskabet Maritime Agency / Copenhagen
 - East Germany - Bahica GmbH / Rostock
 - France - Bogard Le Grand / Paris
 - Germany - Wilhelm Schmidt / Hamburg
 - Holland - Esna - Euro Shipbuilding and Marine Agency / Amsterdam
 - Italy - Lisnave - Estaleiros Navais de Lisboa, S.A.R.L. / Genova

- Japan - Aall Marine and Industrial Services / Tokyo
- Norway - Hemming Astrup A/S / Oslo / Bergen
- Soviet Union - Oves-Oss Export Ges. M.B.H. / Vienna & Moscow
- Sweden - Aktieskoper August Loffer & Son / Gothenburg
- United Kingdom - Keller, Bryant & Co. Limited / London
- U.S.A. - Lisnave Shipyard, Inc. / New York

Handwritten Arabic text: مكنة 1000 لاصط

Refugees a scar on society

Twenty-five years of peace, which inherited a chaotic Angola, which was a piece of cake for the well-organised, the Institute for Aid to Returning Nationals in Lusitania (IARN) — from earlier — could be like most trying to sort out the mess. But what is there for me? While Portugal staggered under the impact of a left-wing revolutionary leap forward, 50 years old, taxi driver, Porphyrio, Angolan by birth, Angolan by force of circumstances, let off steam late in the driving rain turned Lisbon into a mud and moroseness in five months. It is one of the officially registered "retornados" (returned people) of Angola, Mozambique, Cape Verde and when Portugal divested of its former colonies in the new regimes took refugees have not yet seen. The Government is of to them to come for. No one knows what the "retornado" population is. It is estimated to be 700,000 and 1,000,000. He had the drive to get a job, even if it was not the one he wants. At mass of refugees are to live on state there was now, else to put a monthly pension of 30, which does not stretch expensive Portugal. minority socialist govern-

inflation prices. About 9 per cent, 70,000 who, according to Lieut. of hotels and pensions housing Colonel Ribeiro, still live in refugees are known to be human conditions (harm, fields, tents, shacks and derelict buildings). Fly-by-night money-changers took Angolan or Mozambican currency from Mozambique when things settle down, or for South America or Australia (especially Timorese refugees). Without skills they have little hope of being accepted as immigrants—most have few or no special skills. Meanwhile, refugees are a chronic social and financial problem, a time-bomb ticking quietly until their energies are harnessed.

Chaos

On Tuesday, March 8, 600 refugees and 50 special riot police clashed violently in front of parliament in Lisbon after the refugees refused police instructions to keep the statutory 100 metres away from the entrance and tried to march on the building to cheer their leader, 53-year old air-force General Carlos Galvao de Melo, self-styled independent Christian Democrat deputy. They were driven away by the runcible-wielding riot squad. The refugees were enraged by the police charge. One of their leaders promised that soon Communists would be found hanging in Lisbon and that the authorities had forced them into terrorism. General Galvao de Melo, recently chosen as their leader, appears to be a catalyst for the refugees' energies, which the authorities had hoped would not emerge.



Refugees from Angola and Mozambique claiming state allowances in Lisbon.

Northern

goods, competing successfully with rivals from the Far East. But the turbulence of the last three years has caused a 20 per cent drop in productivity, regardless of the energies of all those in the Noolans district of Covilhã, northeast of Lisbon, have been going slow or striking all out, ostensibly for management into signing and applying a long-outstanding labour contract. In the eyes of management, the new contract, destined to create a vertical union through-out the sector which, previously was split into distinct geographical and specialised parts (for threads, clothing, knits, underpaid them — not even the woolens, etc) is an "enormity" which not only unions but the government are trying to impose survival. Despite internal troubles and dictation, orders and confidence, Portugal's textile industry threads or knits in the U.K., boasts equipment as good as Scandinavian countries, France any in Europe (albeit imported and, in the near future, Canada,

Portuguese weavers, spinners and clothing manufacturers are keeping about the industry protectionism when the old regime tried to force us to buy of the total value of Portugal's hroach cotton only from transforming industries, and Angola or Mozambique and give preference to colonial markets. exports (with 50 per cent. of the firms which gave in have the product sold on the domestic market). Quality, by the admission of industry leaders, has dropped in the past two years—for the first time, numerous complaints have come in from Russia, among other countries (one of the new markets secured after April 25, 1974).

Dialogue

At the moment, successful dialogue between management, government and unions is hampered. Management is angry and frustrated, the government is trying to be all things to all people, mindful that the Communist Party controls 85 per cent of labour through the General Confederation of Workers, unions are trying to show a strong hand, as legitimate representatives of textile labour, despite the fact that, on occasions, infuriated female officials out of northern factories, threatening to thrash them within an inch of their lives, if they return. A Portuguese weaver won the golden needle award this year. Manuel Goncalves (employing about 4,000 workers each), have and threads can compete on the middle market, on a quality basis, with goods from Europe and the third world. Many workers and most managements are prepared to make an all-out effort to keep Portuguese textiles on the international market. Meanwhile, sardonic relations between owners and workers—often workers do not understand—or are to understand—why strikes are held and make a fortune, said a manufacturer recently, referring to the flower that became the symbol of the 1974-75 revolution, "but this country has been in textiles for 800 years, I'm not about to give in. I'm bank credit facilities and above all sit down at the table and talk frankly no rapid improvement is possible. "Private enterprise is private enterprise," they say. "I would like to be allowed to use our initiative if I bought a Rolls."

BANCO DE PORTUGAL—LISBON

Factors of domestic money creation. Developments in factors of domestic money creation in the past three-year-period show:

a) Substantial reduction — after a period of continuous increase — of net foreign assets, as a result of financing the increasing balance of payments deficits, in spite of the measures taken in 1975 and 1976 in order to improve the external imbalance. If we put aside the favourable effects of the import surcharge, introduced in May 1975, on the reduction of the trade account deficit, the remaining measures — adopted — successive restrictions set in the outflow of foreign currency for travel and tourism expenditures, establishment of special deposit accounts for emigrants, institution of an advance deposit to the import of several goods — and increase of the surcharge in October 1976 — had apparently the desired results only on the second half of the past year. In fact, of the decrease of 27.2 billion escudos in net foreign assets in 1976, 21.3 billion took place in the first half and only 6.5 billion in the second half.

b) The increase in net credit to the administrative public sector of 66 billion escudos, of which 10 billion in 1974, 24 billion in 1975 and 32 billion in the following year. The economic crisis, by requiring the adoption of measures to offset the imbalances which appeared in the meantime, brought about high budgetary deficits. Given the liquidity shortage of most monetary institutions, it was the Banco de Portugal that financed 92 per cent of the credit granted to the public sector by the banking system during that period.

c) The increase in the credit granted to enterprises and individuals of 83 and 63 billion escudos, in 1974, 1975 and 1976, respectively. These developments are connected with annual rates of growth lower than those recorded before 25th April 1974 and which decreased up to the 1st quarter of 1976. The reduction in demand for credit has probably been the main cause of the slowdown recorded, particularly since the nationalisation of the banks, it was intended to implement a credit policy of effective support to countless enterprises at crisis, namely those in which the State intervened and/or guaranteed the granting of credit. Commercial banks were able to implement this policy, because, during several months, they were allowed to have recourse to the Central Bank whenever they were short of liquidity.

The improvement recorded as from the 1st quarter of 1976 brought about an eventual annual rate of domestic credit creation of 13.9 per cent, which, together with a considerable reduction in protested bills of exchange, shows a certain improvement in the economic and financial situation of enterprises and the first signs of recovery of economic activity.

In fact, the gross index to the output of manufacturing industries showed an average increase of 4.5 per cent in the first eight months of 1976, as compared with the corresponding period of the preceding year.

The monetary policy followed after the 25th April was aimed at temporarily enabling enterprises to overcome liquidity difficulties until other measures were adopted, with a view to the maintenance of the employment level and the recovery of economic activity.

Interest rates

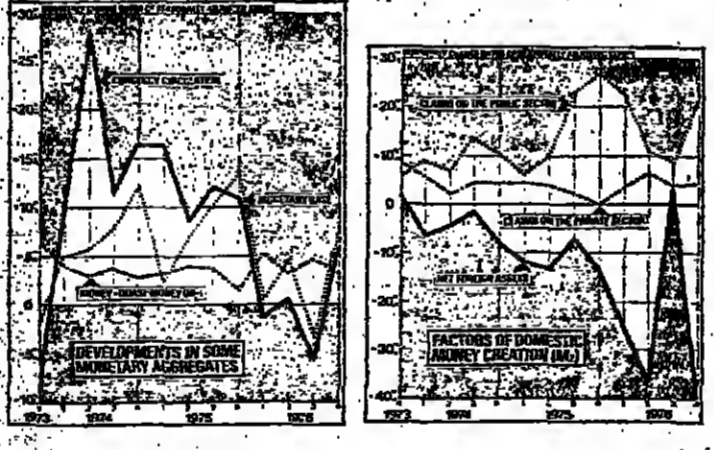
Beyond the refinancing of commercial banks by the Central Bank and the reduction in legal reserve requirements referred to above, there should be mentioned also as an instrument of monetary policy adopted by the Central Bank, the utilisation of interest rates.

Thus, the discount rate of the Banco de Portugal, rose from 5 per cent by the end of 1973, to 6.5 per cent in July 1974 and to 7.5 per cent by the end of that year and decreased a year later to 6.5 per cent, where it still remains.

Preferential re-discount rates also recorded some changes, such as the reduction, in December 1975, of the enlarged preferential brackets and of the subsidised rates, with an impact up to the final year.

In spite of the changes made in the last three-year period, the re-discount selective policy, implemented by means of preferential rates, and conditioned to a great extent by the need to increase global credit to the economy, did not achieve a decrease in the relative weight of non-preferential operations.

Interest rates paid and charged by commercial banks, generally lower than those prevailing in most foreign markets, recorded several rises during the period under analysis: those for time



	1971/73	1974	1975	1976
at m.p. in volume	8.1	3.9	-3.6	6.7
in implicit to GNP	2.6	13.9	13.9	26.3
by + quasi-money (M2)	24.7	13.6	12.8	17.5
Velocity of M2 (V2)	6.2	4.4	-3.0	13.4
deposits	27.5	3.2	0.9	24.8
us of B.P. on monetary	5.9	28.9	83.3	5.9
financial institutions	15.5	34.4	37.7	8.3

	1971/73	1974	1975	1976
currency circulation	15.3	20.8	29.0	24.6
mand deposits	39.2	32.5	30.0	36.5
deposits	44.5	46.7	41.0	44.9

PORTUGAL VIII

Tourist potential can be exploited

ALTHOUGH the 15 per cent something to offer to people devaluation of the escudo makes depressed by the bleak weather...

businessman or housewife can watch seagulls, swim, or play golf unbothered by hideous high rise construction.

Unfortunately, however, the development of tourist accommodation—with the exception of the Estoril Cascais area due west of Lisbon and the Atlantic island of Madeira—has many shortcomings.

Catering and entertainment have serious failings, which the minority socialist Government has tried to improve. Little co-operation, however, is forthcoming from faltering, individualistic local entrepreneurs.

In the Algarve, potentially Portugal's main source of tourist foreign exchange, two thirds of the accommodation consists of villas and apartments rather than hotels, whereas the Government's support and main concern has been centred on the latter.

A great number of mostly small developments in that area suffer from a credit squeeze, unreasonable wage and fringe benefit claims from local hotel workers' unions, and lack of proper commercial organisation.

Meantime, with large percentages of group bookings going to internal tourism, and still—with occupancy of flats formerly rented to foreign tourists by refugees from Portugal's former colonies in Africa and the Far East, the country is incapable of absorbing any massive increase of foreign tourists during 1977—with a consequent relative loss of foreign exchange.

The recent allocation of Esc.1.5bn. (£25m.) for completion of hotels under construction—prompted at least in part by fears that unless Sr Soares' Government acted more forcefully since the military coup of April 25 1974—and the Government's willingness to promote further projects should improve prospects for 1978 and later years.

It is doubtful, however, whether villa and apartment developments, mainly in the Algarve, initiated on a specula-

landsapes, particularly from Germany and Scandinavia, has led to a serious shortage of accommodation. The longstanding problem of Madeira's inadequate airport will continue to be a deterrent to further expansion of tourist facilities in the immediate future.

Portugal's network of government-owned "pousadas" (inns), located generally in scenically attractive spots up and down the country, offering pleasant accommodation for reasonable prices, have recently been brought under ENATUR (National Tourist Enterprises) which incorporates nationalised tourist concerns in general, including some travel agencies, and plans to set up a national charter carrier.

The long-forgotten interior of Portugal, with its many charms and dozens of pleasant roadside inns and restaurants may now become more accessible to foreign visitors, thanks to the Government's attempts to foster tourist development in traditionally-neglected areas.

However, their limited size and scattered locations will restrict their access to the curious or the cogniscenti pre-empting the unquestionable charm of the Portuguese countryside from the masses as a whole.

Regional gastronomic specialties and a great variety of good



Praia de Alvor in the Algarve.

Advertisement for MEON VILLA HOLIDAYS in the Algarve, featuring a photo of a villa and text describing holiday packages and prices.

Advertisement for NO. 9 LUZ BAY CLUB, featuring a photo of a villa and text describing the club's facilities and location in Luz Bay, Portugal.

Labour

Furthermore, on the basis of the cheap labour available before 1974, most hotels and developments are highly labour-intensive and therefore unable to operate profitably unless official staff requirements are drastically reduced in the near future.

Moreover, on the basis of the cheap labour available before 1974, most hotels and developments are highly labour-intensive and therefore unable to operate profitably unless official staff requirements are drastically reduced in the near future.

Madeira has, generally, not been affected by the 1974-75 revolution. Contrary to events on the mainland, the influx of foreign tourists has shown a constant increase. However, steady demand for Madeira's balmy climate and spectacular

Politics and the military

they served as a reminder that the Portuguese armed forces have not entirely lost the taste for politics they acquired with the coup they staged on April 25, 1974, in order to end almost half a century of Right wing dictatorship.

In a sense the military has a constitutional obligation to take an interest in political events. The Constitution which took effect last year specifies that the Revolutionary Council of the Armed Forces will continue to enjoy wide-ranging veto powers during the first four years of the new republic.

The Council has so far avoided interpreting this role in a way which would bring it into a confrontation with the civilian legislators. Communications issued after Council meetings tend to state baldly that members discussed the "political and military situation" without going into any details.

Nevertheless, elements inside the armed forces, whether on the left or on the right of the political spectrum, still let it be known from time to time what their feelings are on the direction the country is taking.

A recent example of this has been the noises emanating from Colonel Jaime Neves, commander of the Commando Regiment, who has taken to meeting with civilian politicians and to voicing his concern about events to the President, General Antonio Ramalho Eanes.

President Eanes, as chairman of the Revolutionary Council, serves as a bridge between the civilian and military wings of Portugal's new democracy, a function which his critics maintain has forced him to act too much as a chief of staff rather than a Head of State. The President's supporters retort that the low profile he has adopted stems from his desire to give Sr. Soares' Government, as the properly constituted Cabinet, the maximum possible leeway to get on with its job.

Memory

Officers associated with the President have, meanwhile, addressed themselves to the problem of giving Portugal the kind of armed forces it could be said to need now that the colonial wars are a distant memory. With the suggestion that the military have a central role to play in the construction of a socialist society discredited, the emphasis has been on a rationalisation and modernisation programme.

From a peak of 201,000 men at the height of the African wars, the armed forces have been cut back to a present level of some 50,000. Under present plans this will be further reduced to a level of about 30,000 men.

Accompanying this reduction in size has been an attempt to make the armed forces more effective within a Nato framework. Portugal, under the dictatorship had a nominal two division commitment to the alliance but the needs of the colonial campaigns ensured this was never met.

The diplomatic isolation inflicted on Portugal was backed up by embargoes on arms sales to Lisbon by the United States

and Britain as signs of their disapproval of the colonial policies pursued during the 1960s.

Portugal's isolation from the rest of Nato continued when the revolution initiated by the armed forces in 1974 took a dramatically leftward course. Portuguese officers were excluded from sensitive areas like the "Nuclear Planning Group."

This was to change with the crushing of the military left on November 25, 1975, by forces co-ordinated by the then Colonel Ramalho Eanes. Eanes followed up his victory by using his position as Army Chief of Staff to launch a purge of leftist elements while at the same time, in conjunction with Brigadier Firmino Migoel, the current Defence Minister, drafting a plan to restore the operationality of a force whose effectiveness had been sapped by two years of harrassment room politics.

Training

With the help of the U.S. and West Germany a re-equipment and retraining programme has got underway. The retraining is needed to prepare Portugal to play a bigger role on Nato's southern flank where the kind of warfare likely to be encountered is a long way from the protracted infantry campaigns of Africa. In this connection, an air-portable brigade which would be on instant readiness is currently being set up.

Re-equipment has so far seen Portugal receive armour and training planes from the U.S. and a squadron of jet fighters from West Germany. Other Britain, have chipped in with smaller contributions like the provision of badly-needed staff courses for Portuguese officers.

Ironically the reorganisation of the armed forces has produced an increase rather than a decrease in defence spending. Estimated defence spending this year is likely to total some £356m., an increase of £80m. on last year.

Portuguese military planners argue that a more effective contribution to Nato is a bonus to the Alliance who so many members are talking in terms of cutting their commitments. They also argue that it is the kind of repayment Portugal can make in exchange for Western help in rebuilding the country. Portugal is, after all, one of the few Western nations with a reservoir of manpower which has seen active service in recent years and the soaring level of unemployment has ensured that there is no shortage of volunteers for the armed forces.

Civilian politicians are entitled to demand in return that the military cut back their march back to barracks, making sure of course that this is to be the accompaniment of a great deal of drum-beating about the historic contribution the armed forces made to bringing back democracy. So long as rumbustious forces continue to make civilians jump, Portugal will be trapped in a situation which makes effective government almost impossible.

The diplomatic isolation inflicted on Portugal was backed up by embargoes on arms sales to Lisbon by the United States

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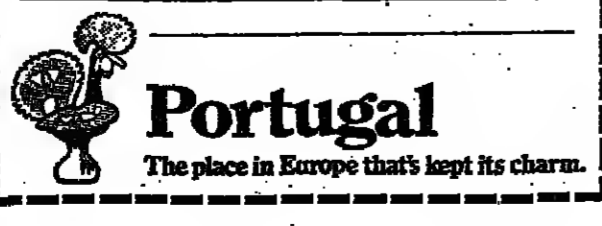
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Advertisement for ESTORIL SOL CASCAIS ESTORIL PORTUGAL, featuring a logo and text describing the hotel and casino facilities.

Advertisement for ESTORIL SOL HOTEL & CASINO, featuring a large logo, text describing the resort, and several small photographs of the hotel and casino.

Handwritten Arabic text at the bottom of the page.

Je... ..

Quebec on a nationalist tightrope

BY W. L. LUETKENS

MOUR is getting the legal profession of these days. "It's as if people still are dying." —the PQ was in no way some little specimen otherwise there'd be all for us to do."

course, that "people only become undisciplined: what happens is that the lucrative comes from business city is high has faded as a separatist and socialist Parti Quebecois was returned in Quebec on November 13 as well to add that of black humour cited from an irate Englishman from a French working in a French practice.



Mr. Trudeau and Mr. Lévesque (right): How flexible is federalism? How independent is sovereignty?

that the PQ Government must settle within itself, and hence more room exists for negotiation with Ottawa than some of the more intransigent statements made might lead one to believe.

In any case the problems are by no means peculiar to Quebec. Even Frenchness is not a preserve of Quebec — there are French communities to be found from Newfoundland to Vancouver. Moreover it is not at all untypical that in one of its first big arguments with Ottawa, the Lévesque Government should have at least tacit support from Saskatchewan. Quebec objects to a proposal to make the Quebec co-operative savings banks liable to keep cash reserves with the Bank of Canada, which would bring them under the aegis of Ottawa monetary policy. The proposal will probably fail, because Saskatchewan and other provinces also object.

Response

Mr. Trudeau has set up a small civil service group which is to plan the federal response to Mr. Lévesque. One of the first things it is doing is to call for reports from the Ministries about what responsibilities can be safely relinquished to the provinces. The point to bear in mind is that Canada is a huge and varied country: 22m. people live in what is the province's second biggest State by area: they are stretched out across a continent that is wider than the Atlantic and embraces economies from the almost post-industrial to the almost pre-industrial.

Mr. Trudeau's study group will have to have its proposals ready for the campaign preceding a referendum on independence, which Mr. Lévesque has undertaken to hold during his term of office. Opinion polls taken before the election in November showed that only 18 per cent of the Quebec electorate wanted independence, so that the federal cause starts from a strong base. But Mr. Lévesque now has the initiative, and in particular will he the one to phrase the question that will be put. It is a great asset. The "feds" will have to work well and quickly.

There is nothing especially new about shifts of power from the centre (and back) within federal states. But that is a historical view. From closer up, the contest between Canadian unity and Quebec independence may well look like a grudge fight between Mr. Trudeau and Mr. Lévesque. That is the sort of fight the result of which is hardest to predict.

Strategy

The Quebec savings banks have assets of about \$Can.5bn. (about £3.4bn.) and the PQ Government wants them to play a part in its industrial strategy. In particular the encouragement of small business. The caisses have let it be known that they are not interested in unprofitable investments. The Government may have more direct influence over its civil service pension fund which is almost as big as the caisses and growing rapidly. The party programme proposed that the fund should become a vehicle for indigenising banking and certain other businesses.

Given that Quebec is by no means the only province which wants to increase its rights (though the issue is somewhat overlaid by French and anti-French tribal attitudes) it is not fanciful to suppose that Quebec could remain within a looser Canadian confederation. Mr. Pierre Trudeau, the federal Prime Minister, and himself a Quebecer, referred to that in

ness

night of the election. PQ supporters were her French Canadians ly they responded to of the underdog. as may be over: ion of what is to idespread, at least in community. French is. That was to be ex- gely depend upon his apprehension will the working classes umers.

ashionable in Canada that Quebecers will from the economic ns of separation. As eral states, the argu- and is unending as ar any member is a butor or a net bene- the common wealth, e the balance of the is that the province ough the PQ arrives calculation leaves out nt certain crucial

ashionable argument that Quebecers will from the economic ns of separation. As eral states, the argu- and is unending as ar any member is a butor or a net bene- the common wealth, e the balance of the is that the province ough the PQ arrives calculation leaves out nt certain crucial

Independent

In their original form they cannot be put into practice except in an independent Quebec; but it would be wrong to underestimate what a determined provincial Government can do even within confederal conditions.

In opening the current session of the Quebec National Assembly on March 8, Mr. Lévesque said that a rewritten language law would be tabled way of encouraging soon. The signs are that the Cabinet will decide on something more moderate than the worst fears of the English

speakers. Some were afraid that English would be banned from Boardrooms—which would cause headquarters of several banks and other big companies to quit Montreal, English-speaking Quebecers have been promised that their children may continue to attend English schools. That privilege may now be extended to Anglo-Canadians from elsewhere, but not, for instance, to Americans and other non-Canadians which would cause great problems for example to American executives on temporary posting to Quebec.

It is essential to understand the motives behind the proposal. French Canadians have for generations been excluded from the main positions of economic power in Canada, and much of the inspiration behind the PQ policies is to put that to rights. In fact, during the last 20 years or so the French have progressed, but it will take longer for the underlying facts, let alone attitudes, to change fully. One statistic illustrates the point: in 1973, of 104 companies in Quebec employing more than 1,000 people, as many as 43 had no French Canadians on the Board. Of course there is a "jobs for the boys element" behind all the

Inequality

All this is a poor testimonial to the policies pursued in Ottawa for many years which are designed to make Canada a country where English and French enjoy equal standing, and where regional inequalities should be ironed out. Leaving aside the even crasser inequalities between Ontario, or Alberta, and say, Newfoundland, Quebec has been lagging rather than gaining in the race to riches.

In spite of regional policies and federal and provincial investment incentives, the structure of Quebec industry is still poor. For instance, about 16 per cent of its industrial shipments are textiles, knitted products, and clothing, as opposed to 4 per cent in the case of Ontario; value added per man hour in Quebec industry was \$9.34 during 1973 as opposed to \$11.61 in Ontario, and the gap had been widening in the previous decade. The depressing thing is that the disease seems

to have shown no responsiveness than a mere economic association at all to treatment: the PQ would argue that it would do so only in an independent Quebec.

That point remains to be proved. Only if one were to suppose that Quebec is not a net importer of capital would it be possible to argue that external investors matter little in that argument. So far at least the Americans have remained unconvinced that the PQ is on the right path. The yield gap between Ontario and Quebec bonds has widened to about 1 percentage point as U.S. investors held back from Quebec, but admittedly the market for new issues on Wall Street has not yet been tested. A domestic issue made by Quebec went well, baited with an unusually attractive yield.

Investors and others are going to be left in the dark much longer about some of the central issues. For instance the precise degree of independence sought remains to be defined. In his speech to the National Assembly Mr. Lévesque used the words "national sovereignty" instead and spoke of a new type of association with the rest of Canada "without... the constant spectre of animosity in traditional federalism." That sounds as though it could mean more

Investment

The party programme calls for a Quebec central bank which should mean an independent Quebec monetary policy. Add to that the intention to direct Quebec investment into Quebec outlets and you clearly have the makings of unending conflict within an association. True, the EEC knows similar problems; it is a matter of lesser Canada confederation. Mr. Pierre Trudeau, the federal Prime Minister, and himself a Quebecer, referred to that in

Letters to the Editor

controls on

small army of bureaucrats is occupied in abstracting a slice of "tax" at one point in this cycle, and re-injecting it as a subsidy" and occasionally feeding it back into the cycle at another point does precisely nothing to re-structure our sensible arrangement of voluntary, mutual assistance. Such restructuring would happen only if, and when (God save us!) but retained the "tax" but retained the "tax".

As it is the bureaucratic pantomime evidently keeps numerous bodies comfortably employed, but (unlike cheap council rents) it does not actually produce the withdrawal to finance a single house. Further I would doubt whether this bureaucratic in-and-out again involves any significant transfer of wealth between the State and its citizens. Given that the saver/depositors join the building society club of their own volition, I doubt whether the system even involves any permanent transfer of wealth among citizens either.

The same is not true of the council house system, whose below-market rents are a true subsidy. The outcome is a political raffle, as those long lists of aspirant council tenants awaiting a house on the cheap, at someone else's real expense, amply testify.

Christopher Meakin,
26, Deserfians Road, S.E.21.

workers? After discussions with in the sub-unions, the Leyland Car Workers Union should be able to formulate a policy, and handle all wage negotiations. On the introduction of Phase 3 later this year, the Government should restore free collective bargaining in order that these pay difficulties may be sorted out and incentives offered to all employees. At this time the Government should cease to dabble in Leyland under the guise of the National Enterprise Board, the power to take decisions being returned to the Boardroom, where it belongs.

I believe that Leyland cars should be returned to the private sector, by allowing employees to acquire shares, as suggested by Mr. A. Hamilton's letter (March 8). This would considerably increase shop floor interest in the company, help to pave the way for worker directors (not something I am generally in favour of) and hopefully a much happier working relationship could then be achieved.

Finally I think that everyone at Leyland should be made to realise that lost production means that products cannot be competitively priced and therefore profit is not created. Without profit there can be no new plants, no new products and no Leyland cars.

David Walden,
Hampshire Management and Accounting Services,
8, Mitchell Drive,
Fair Oak, Eastleigh.

GENERAL

Commonwealth Day, Princess Anne attends special service at Westminster Abbey.

Balance of payments figures for February.

EEC Finance Ministers meet, Brussels.

EEC Agriculture Ministers begin two-day meeting, Brussels.

UNCTAD Ministerial meeting on financing commodity buffer stocks concludes, Geneva.

Masey Ferguson's Coventry plant expected to resume production after 11-week strike.

Mr. Michael Heseltine, Shadow Cabinet spokesman on environment, speaks at Plymouth Institute of Bankers dinner.

Four-day seminar on Financial Institutions, opens, Chartered

To-day's Events

Insurance Institute, Aldermanbury, E.C.2.

London Chamber of Commerce West European section meeting with Austrian trade delegation, Cannon Street, E.C.4, 3 p.m.

Sir Robin Gillett, Lord Mayor of London, attends Saddlers' Company dinner, Saddlers' Hall, E.C.2.

International Packaging Exhibition opens, National Exhibition Centre, Birmingham (until March 18).

PARLIAMENTARY BUSINESS

House of Commons: Debates on redevelopment of London docks and on public expenditure

EXHIBITIONS

Silver Jubilee Exhibition, showing view of Royal Collection from Henry VIII to Elizabeth II, The Queen's Gallery, Buckingham Palace (all year).

Books, drawings and papers of J. R. Tolkien, National Book League, 7, Albemarle Street, W.1 (until April 17).

British stamps and postal history, Gibbons Gallery, 399, Strand, W.C.2 (until March 31).

MUSIC

Vivian Banfield gives piano recital of music by Chopin and Schubert, St. Lawrence Jewry next Guildhall, E.C.2, 1 p.m.

EBC lunchtime recitals, Chilternarian Strim Quartet, St. John's Smith Square, S.W.1, 1 p.m.

debate on

ing

C. Meakin

oe Rogaly is quite right icise the everlasting debate about housing for sion with industrialist of equity. Today's less convincing is his going acceptance of the myth that owner-occupying off mortgages are much subsidised by the council house tenants on. They are not.

Anyone else with a build- ing mortgage, I am g money not from the ut from other private whose savings are in- a that society, I pay, net, more interest than they net. The society Today's the society's administra- tions. Both of us, and investor alike, to a net-of-tax rate of among ourselves, in a eily self-supporting ay-regulated by a market rate. act that far reasons best headed by politicians, a skilled, production, and other

High income brackets

From The Chairman, Imperial Group.

Sir,—In his letter (March 11) Mr. L. A. Robinson appears to deduce from figures published in our accounts that we have been granting general salary increases to employees with salaries above £8,500 during the current pay code. This is not so.

The Companies Acts require that the accounts should show the actual earnings in the financial year in question. Our year ends in October. The pay code started in August 1976, and thus any salary increase awarded before that date would only be partially reflected in the year to October 1976, but would apply in full in the year to October, 1977. There are, of course, other reasons for variations in these figures such as retirements and consequent promotions, new appointments and, sometimes, new acquisitions.

As it is difficult to deduce anything meaningful from figures set out in the manner required by law, I must ask Mr. Robinson to accept my assurance that we have adhered strictly to the code.

John Pile,
Imperial House,
1, Grosvenor Place, S.W.1.

Racal Electronics Limited

has acquired more than 98% of the outstanding Common Stock of

Milgo Electronic Corporation

Morgan Stanley & Co. Incorporated acted as financial advisor to Racal Electronics Limited in this transaction and as Dealer Manager for the Tender Offer.

MORGAN STANLEY & CO.
Incorporated

in cooperation with

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in London and its subsidiary in New York

March 11, 1977.

One union at Leyland

From Mr. D. Walden.

Sir,—Surely it is now time for Leyland to radically review its management/worker relations. It is evident that with 117 different wage negotiations annually, disparity between plants and loss of differentials occurs. Would it be possible for a new union, The Leyland Car Workers Union to be formed, divided into sub-unions to represent the interests of management and supervisory staff, production, and other

Not waste paper

From Mr. L. Harrod.

Sir,—There is an aspect to the retention of documents other than the legal one ("Finance and the Family," March 5) and that is the importance of retaining wills and documents relating to estates for the use of historians, particularly those who are concerned with local, family, social, agricultural and commercial history.

Contemporary documents are the basis of most history, and if it had not been for the retention by estate offices, university colleges, local authorities, ecclesiastical organisations, family archives, etc., over the centuries of their "working papers," cash receipts, agreements, correspondence, and other forms of record, we should know very little about the past.

Most large cities have archive departments, usually housed in the central public library, and every county council must by law operate a record office where documents relating to the county may be deposited and preserved.

Any documents which are available for disposal should therefore be sent to the appropriate county archivist.

L. M. Harrod,
41, Milton Road,
Harpenden, Herts.

Falkland's feelings

From the Chairman and others, Falkland Islands Action Group.

Sir,—The recent bids from Argentine businessmen for ownership of the Falkland Islands Company, particularly that by Sr. Francisco Capozzolo, backed by the report on islander retention (Hugh O'Shanessy, March 9), serves to illustrate three of the points we are most anxious to make known to the British public, in safeguarding the future of the islands.

The Argentines, by trying to wrest control of the islands through back-door manoeuvring, have proven they have little respect for the wishes of the islanders. The use of a Parisian bank to make the Argentine presence less obvious, is indicative of the regard we should know very little about the past.

The Falkland Islanders are so wholly opposed to any Argentine presence that they are prepared to leave their homeland rather than suffer the bloody turbulence of Argentine politics. For the Argentine Government to force this issue in order to cover up some of their internal chaos, at the expense of innocent people, is repugnant to right-thinking citizens.

The fact that Mr. Ted Rowlands was aware of the impending offer when he left for negotiations, yet failed to inform the people who would be affected by it, is further evidence that the Government and Whitehall are prepared to abdicate their responsibility to this loyal people.

This sort of attitude is an insult to the whole British nation whom they claim to represent.

Mike Summers, Elena Butler, and Leif Barton,
115, Queen's Gate, S.W.7.

Students' fees

From Mr. J. Wilson.

Sir,—The Government's increase in student fees has excited an understandable response in the student body, particularly with regard to the effect on overseas students. Of course, it is tempting to argue that overseas

COMPANY NEWS

Beaumont Props. reasonably confident

DESPITE THE continued national problems, Cyril Black, chairman of Beaumont Properties, says that he still views the future with reasonable confidence, and if anything he is now more confident than he was a year ago.

Referring to interest rates he points out that these rose alarmingly in the first few months of the current year and while they are now beginning to ease, the general level is still too high for businesses to operate economically and successfully.

However, the chairman is confident that the underlying strength of the group is such that it will continue to overcome any difficulties caused by outside circumstances.

In the year ended September 30, 1976, group pre-tax profit increased from £581,200 to £758,884, and earnings per share rose from 1.5p to 3.1p.

The losses made by associates have fallen from £34,000 to £41,500 in 1976. The greater part of the debt funding of the associates—mainly overseas companies in the dollar area—has been raised in the dollar area and consequently the group as a whole has been relatively free from the problems arising from the big fall in the value of the pound.

Referring to the value of the group's properties, the chairman says that it would be normal practice to have them valued every third year, but in 1975 the market was in such disarray as to make a realistic revaluation impossible.

The property market has in the past two years become much more stable, and there is increasing demand, leading to consistently higher prices in the case of properties of the type which the group owns. It is therefore intended, subject to no unforeseen changes in the market, to have a professional valuation of all properties as at September 30, 1977.

Group properties at September 30, 1976 totalled just over £25m, with freehold properties representing 76 per cent. and leasehold 24 per cent.

Share Information Service

The following securities have been added to the Share Information Services appearing in the Financial Times:

- Cinzine Riotinto (Section: Mines—Australian).
- Green Group (Section: Cinemas, Theatres and T.V.).

This advertisement is issued in compliance with the requirements of the Council of the Stock Exchange. It does not constitute an invitation to the public to subscribe for or purchase any Notes.

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25, Finsbury Circus, London, EC2M 7EE

BOARD MEETINGS

The following companies have notified dates of Board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available whether dividends concerned are interim or final and the sub-divisions shown below are based mainly on last year's timetable.

FUTURE DATES

Interiors	Mar. 15
Brooke Bond Liable	Mar. 15
Gallagher (A)	Mar. 15
Scottish Metropolitan Property	Mar. 15
Finlays	Mar. 15
Armor Trust	Mar. 15
Widde Holdings	Mar. 15
Church & Co.	Mar. 15
Colling (William)	Mar. 15
East Lancashire Paper	Mar. 15
Mackay (Hugh)	Mar. 15
Pontons	Mar. 15
Rhodocian Corporation	Mar. 15
Senior Engineering	Mar. 15
Southernway Isle of Wight	Mar. 15
South of England Royal Mail	Mar. 15
Steam Packet	Mar. 15
TET	Mar. 15
Wolf Electric Tools	Mar. 15

Unidare forecasts progress

AN INCREASE in real turnover, the possibility of increased exports and better margins and profit levels is forecast for Unidare by Mr. M. McStay, the chairman. The directors, he adds, are reasonably confident of reporting further satisfactory progress in the fortunes of the company for the current year.

As reported on February 22, for 1976 taxable profit was up at £1.48m. (£1.19m.) and sales advanced 16 per cent. to £19.67m. A net final dividend of 2.3p per share lifts the total to 2.7375p on present capital. At year end working capital had improved by £1.13m. (decrease £0.1m.). Net bank borrowing was up £237,000, and creditors, because of higher stock level requirements, were up £0.65m. at £4.4m.

On a CCA basis, according to the Morphet proposals, profit would have been reduced by about £0.3m.

The rise in sales was mostly price movement and the slow growth in volume is still a cause for worry, says Mr. McStay. The export content was £4.03m. (£3.59m.). A continued depressed state in both buildings and farm capitalisation, remains the greatest source of worry, particularly from the employment point of view, and there is no sign of recovery in either sector.

The Public Capital Programme housing allocation, which increased 8 per cent. during the year, does not seem sufficiently high to stimulate the necessary growth in building and farm capitalisation, though apparently doing well in some areas, has not yet embarked on the anticipated investment programme which could benefit the company.

Following recent modernisation and consolidation the company is now well placed to take advantage of any recovery in the economy. While no general upturn for all its products is anticipated, selected items predicted to show growth from the static position of 1976.

Continuous examination of downstream activities points to limitations on some of the main factors which could result in the elimination of some sectors unless meaningful profitability is reached in the near future, Mr. McStay comments.

The company's future lies in increasing its export share by remaining highly competitive. Unit cost reduction is a priority and to accomplish it the planned investment programme will continue the chairman states.

During 1976, despite the falling pound, competition overseas was kept to the cost reduction achieved in the previous year could not be sustained. The company's products include electrical cables and transformers, telephony cables, oil and electrical heating, and aluminium foil.

Meeting, Dublin on April 1.

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raised to 4.8p, with a final of 3.25p. Because of its large holdings overseas the company was able to show a 12 per cent rise in net asset value per 25p share to 198p (176p).

By contrast with 1975 the relatively poor capital performance of the U.K. investments during the year brought the percentage at market value of U.K. holdings down from 59.7 per cent. to 51 per cent. at £17.7m. (£18.52m.) whereas the percentage in North America has risen from 36.3 per cent. to 40.1 per cent. and in other countries, mainly the Far East, from 4 per cent. to 8.9 per cent. At year end total investments were £35.5m. (£32.02m.). Meeting, Bucklebury House, Wallbrook, EC, on April 6 at 3.30 p.m.

Provident on target so far

Confident that the work of the last two years will enable Provident Financial Group to give a good account of itself Mr. A. M. Edgar, chairman, reports that the first few weeks of the current year are up to expectations.

As reported on February 22, taxable profit for 1976 jumped from £4.58m. to £7.3m. and earnings per 25p share expanded from 4.8p to 5.5p.

Mr. Edgar points out that turnover increased, trading profit improved by 59 per cent. and the balance sheet shows a reinsurance improvement in the company's financial strength. The directors continue throughout 1976 to maintain their policy of writing more of business in small amounts over short periods, with the result that the company has kept well within the facilities available.

Rationalisation of the branch structure, the development of the real time teleprocessing system and other operating and planning improvements progressed steadily as a result of continued co-operation from everyone in the company, says the chairman.

A statement of source and application of funds for 1976, against a £0.94m. decrease. Meeting, Bradford, on April 7, at noon.

STANDARD TRUST

We regret that Saturday's Financial Times reported the Board of Standard Trust as saying that re-investing the net proceeds of the British Rail Pension Fund's offer in other shares "might be attractive once all the charges had been taken into consideration. What Standard actually said was that £0.7m. revenue was £0.7m. reinvestment of the offer's proceeds "may not be attractive."



Mr. Dennis Poore, chairman of Manganese Bronze Holdings, who is due to-day to announce the group's first half results.

Weather problems for IDC

Commissions for a number of feasibility studies and design projects are anticipated to result in substantial orders and lead to a very successful period ahead for IDC Group says Mr. Howard Hicks, the chairman.

McLeod/Finlay Indian reorganisation

McLeod, Russell and Co. and James Finlay and Co. announce that agreements have now been implemented for the disposal with effect from January 1, 1978 of certain of their undertakings in India to Tata-Finlay.

Cadbury Schweppes Australia

In the 52 weeks ended January 1, 1977, net tax paid before extraordinary items, of Cadbury Schweppes Australia rose from \$4.5m. to \$6.7m. Sales were up from \$143.3m. to \$157.3m.

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In the 52 weeks ended January 1, 1977, net tax paid before extraordinary items, of Cadbury Schweppes Australia rose from \$4.5m. to \$6.7m. Sales were up from \$143.3m. to \$157.3m.

Cash position of companies worse in final quarter

THE CASH POSITION of many of the big British companies appears to have deteriorated to some extent in the final three months of last year, reversing the improvement in the July-September period. The latest Trade survey shows that in 1976, the liquidity position of companies covered by the survey improved on a year virtually unchanged compared with a year earlier. In the manufacturing sector, however, the net cash position improved considerably. Over 1976 as a whole the liquidity ratio of the 200 large companies covered—which measures current assets as a percentage of current liabilities—fell to 79 in October-December, from 85 the previous quarter. Thus, the ratio at the end of 1976 was only slightly better than that of 77 a year before. The ratio had been rising their cash position steadily from the end of 1974, when one of the worst squeezes ever felt on companies' cash resources had reduced the ratio to only 48. From that level, the ratio rose expansion of £12

North Sea oil investment

CAPITAL EXPENDITURE in the allied industries—U.K. coal, petroleum, chemical and metal manufacturing—rose from just over £1.31bn. between 1974 and 1975 reflecting the continuing investment in North Sea oil developments, according to Department of Industry figures. The directors recommend a 1-for-2 scrip issue, and anticipate that, subject to unforeseen circumstances, the dividend rate will be not less than 15 per cent. on the higher capital.

Bank Hapoalim

Notice is hereby given that the Annual General Meeting of the Bank will be held at the Head Office, 50 Rothschild Boulevard, Tel Aviv, at 12.00 noon 1977 for the purpose of:

1. Approving the financial statement and the Directors for the year ended 31.12.76
2. Declaring dividends
3. Distributing bonus shares
4. Electing Directors
5. Appointing auditors
6. Miscellaneous

Holders of share warrants to bearer of the Bank will be held at the offices of the Bank not later than March 15, 1977 and such warrants will be returned to the issuer of the warrants on the date of the meeting.

Foreign residents may deposit share warrants and owners of bearer shares in the U.K. may deposit share warrants in the U.K. in order to transfer the warrants on the date mentioned above to the London branches of the Bank.

If within half an hour from the time appointed for the meeting, a quorum is not present, the meeting shall stand adjourned to the same time and place on the following day. A quorum is not members present shall form a quorum, and no business shall be transacted at the meeting.

Copies of the financial statement and the Directors for the year ended 31.12.76 will be made available on application at the above-mentioned address.

By order of the Board
G. H. H. H.

DOWEND, BRISTOL

FOR SALE OR LEASE AS WHOLE OR IN PART

1.85 ACRE SITE COMPRISING—

MODERN RETAIL UNIT	LIGHT INDUSTRIAL
• 5,472 sq. ft. net	• 14,000 sq. ft. net
• 145ft. frontage to main shopping	• 12ft. eaves height
• Access to Co-op supermarket	• 2 x 19ft. 6in. air
• Area for major extension	• Existing Moor Tr.
	• All in good repair

EXTENSIVE PARKING AREAS

Occupiers or Agents with named clients only apply to
S. C. WALTERS, DORADA HOLDINGS LTD.,
Deerpole House, Deerpole Avenue, Dorking RH5 4RU.

We've passed our eleven plus.

For the eleventh consecutive year overall trading profits for the Barrow Hepburn Group increased in 1976. Compared to 1975 profits before exceptional items and taxation were up by 35 per cent. We have been allowed a 12.5 per cent increase in dividends and earnings per share are up from 4.5p to 7.4p. Despite adverse conditions for the U.K. Tanning operations, the Leather Division as a whole increased both turnover and profits. The Chemical Division has provided the main boost to group profits, and investment of more than £1m in this Division represents a little over half of all new investment for the year. Although the economic climate has been far from ideal, Barrow Hepburn Industries has also managed to maintain profit levels. Exports have increased by 68 per cent. Group profit for 1977 is expected to show further improvement.

Barrow Hepburn Group Limited 1976 Highlights

1975	1976
£581,200	£758,884
1.5p	3.1p
4.5p	7.4p
42.7p	42.7p

Barrow Hepburn

FFI TERM DEPOSITS

Deposits of £1,000-£25,000 accepted for fixed terms of 3-10 years. Interest paid gross half-yearly. Rates for deposits received no later than 18.3.77.

Term (years)	3	4	5	6	7	8	9	10
Interest %	12 1/2	12 1/2	13	13 1/2	13 1/2	14	14 1/2	14 1/2

Rates for larger amounts on request. Deposits to, and further information from, The Chief Cashier, Finance for Industry Limited, 91 Waterloo Road, London SE1 8XP (01-828 7822, Ext. 244). Cheques payable to "Bank of England, a/c FFI". FFI is the holding company for ICFC and FCI.

This advertisement complies with the requirements of the Council of the Stock Exchange.

U.S.\$30,000,000

Allied Irish Banks Limited

(Incorporated in the Republic of Ireland under the Companies Act, 1963)

Floating Rate Subordinated Notes Due 1984

The following have agreed to subscribe or procure subscribers for the above Notes:—

- Credit Suisse White Weld Limited
- Manufacturers Hanover Limited
- Banque Nationale de Paris
- Girozentrale und Bank der Österreichischen Sparkassen
- IBJ International Limited
- Westdeutsche Landesbank Girozentrale
- Allied Irish Investment Bank Limited
- S. G. Warburg & Co.
- Société Générale de Banque

The Notes constituting the above issue have been admitted to the Official List by the Council of the Stock Exchange. Full particulars of the Notes are available in the Extel Statistical Service and may be obtained during normal business hours (Saturdays excepted) up to and including 29th March, 1977, from the Brokers to the issue:—

Parsons Gordon & Co.,
9 Moorfields Highwalk,
London EC2Y 9DS

Butler & Briscoe,
37 Dame Street,
Dublin 2

14th March, 1977

h position... Companies... dividend... Financial Times Monday March 14 1977

Bank Holiday Works Loan Board rates... Effective from March 5, 1977

Table with columns for 1976/77 and 1977, listing various financial metrics.

Table titled 'FIXED INTEREST STOCKS' with columns for Stock, Price, and Change.

Table titled '"RIGHTS" OFFERS' with columns for Stock, Price, and Change.

Table titled 'BASE LENDING RATES' listing various banks and their interest rates.

Table titled 'INSURANCE BASE RATES' listing insurance companies and their rates.

INTERNATIONAL COMPANIES Sea Containers net earnings improve by 37%

FINANCIAL TIMES REPORTER THE SEA CONTAINERS Group has reported combined net earnings for 1976 of \$15.1m...

Arbed cuts losses

LUXEMBOURG, March 13. Arbed said, however, that because of the accumulation of losses in 1975 and 1976, it would ask the general assembly meeting of April 22 to omit the payment of dividends for last year.

U.S. bid for Van Nelle

STANDARD Brands of the U.S. is to make a public bid for the 43.3 per cent it does not already own in the long established Dutch coffee, tea, tobacco and chocolates company, Van Nelle.

Euroc holds recovery

STOCKHOLM, March 13. EUROCO, the Swedish building materials group, continued its profit recovery last year with a 165 per cent increase in pre-tax earnings...

Money and Exchanges

Bank of England Minimum Leading Rate 11 per cent. (since March 10, 1977) There was little expectation in the London market of a reduction in the Bank of England Minimum Leading Rate last week...

Table titled 'FOREIGN EXCHANGES' with columns for Country, Rate, and Change.

Table titled 'GOLD MARKET' with columns for Gold, Price, and Change.

Table titled 'EURO-CURRENCY INTEREST RATES' with columns for Term, Rate, and Location.

Table titled 'FORWARD RATES' with columns for Currency, Rate, and Term.

Table titled 'EXCHANGE CROSS-RATES' with columns for City, Rate, and Date.

Table titled 'SPECIAL DRAWING RIGHTS RATES' with columns for Country, Rate, and Date.

MINING NOTEBOOK Riches in isolation at Orapa in Botswana

BY LOOSTAR WITH A perfect sense of timing in view of last week's outburst of brilliance from De Beers and the shares' resultant upsurge of popularity among U.S. investors...

Rumours rife

The promised official news from Australia's new copper producer Pacific Copper is still awaited. Meanwhile, holders on this side of the world may be encouraged to know that interest in shares down under has been stimulated by the aptly named 'Speculator's Diary'...

Strict security

To see a property with a higher gem content of some 40 per cent, Marston went 25 miles to Debeers' other 'little gem' of a property, which consists of two diamond pipes surrounded by diamondiferous gravel...

Open-ended endowments

BY OUR INSURANCE CORRESPONDENT. Most of these are written as endowment contracts, maturing at age 60, 65, 70, or 75, or two are written as whole life contracts.

London tea sales

At the tea sales held in London last week 31,642 packages of tea were sold at an average price of 185.57p per 100g packet, compared with 180.27p at the previous sales and 182.89p a year ago. Plans tea was quoted at 150p.

Tax relief

In more stable financial times, it was taken for granted that the average citizen could reasonably plan to save during a quarter-century for a specific purpose, but now it is arguable that even ten years is too long a period to make a firm financial commitment...

Time limits

Options are another feature of most of these contracts, sometimes integral, sometimes requiring positive purchase at inception. For example, a dozen offices allow the policyholder to increase the level of premiums within prescribed percentages and within specified time limits...

Advertisement for LOEB RHOADES INTERNATIONAL LIMITED, 35 Grosvenor Street, London W1X 9DB. Tel: 01-491 4482. Telex: 25432 LRINT

OVERSEAS MARKETS

EUROBONDS

With ONLY one new issue being announced by the issuer of last week, prices in the U.S. dollar sector are marked.

The other two new U.S. dollar issues to be announced over the week are for EIA-Aquitaine and Singer International Securities.

Several weeks premature and if it does materialise the lead manager will be a German Bank.

The last Austria offering 61 per cent. offering 61 per cent. offering 61 per cent.

CURRENT EUROBOND ISSUES table with columns: Borrower, US Dollars, Amount, Maturity, Av. Life, Coupon, Price, Lead manager.

BONDTRADE INDEX and EUROBOND TURNOVER tables.

Indices

NEW YORK - DOW JONES and STANDARDS AND POORS tables.

N.Y.S.E. ALL COMMONS, MONTRÉAL, TOBACCO, JOHANNESBURG, AUSTRALIA, and PARS tables.

GERMANY, JOHANNESBURG, AUSTRALIA, and PARS tables.

AMSTERDAM, STOCKHOLM, VIENNA, and OSLO tables.

OVERSEAS SHARE INFORMATION

NEW YORK table listing various stocks and their prices.

Table listing various international stocks and their prices.

Table listing various international stocks and their prices.

Handwritten scribbles at the bottom left of the page.

AUTHORISED UNIT TRUSTS OFFSHORE AND OVERSEAS FUNDS

Main table listing various unit trusts and offshore funds with columns for fund names, managers, and performance metrics.

FINANCIAL TIMES STOCK INDICES

Table showing stock indices for various regions including UK, Europe, and Asia.

HIGHS AND LOWS S.E. ACTIVITY

Table showing high and low stock prices and S.E. activity for various sectors.

FT-ACTUARIES INDICES

Table showing FT-Actuaries indices for various insurance-related categories.

G KONG

Table showing G Kong stock market data.

SINGAPORE STOCKS

Table showing Singapore stock market data.

INSURANCE, PROPERTY, BONDS

Large table listing insurance, property, and bond products with details on terms and rates.

INSURANCE BASE RATES

Table showing insurance base rates for different types of policies.

CORAL LIFE Close 416-421

Additional contact information and notes for Coral Life.

Barclays 1976

Profits adequate but weak pound and high interest rates bring problems.

The Annual General Meeting of Barclays Bank Limited will be held in London on April 6th, 1977. The following extracts from the address to the Stockholders by the Chairman, Mr. Anthony Tuke, for the year 1976.

Our profits this year at £197.9 million are at first sight satisfactory but we must take into account two main factors which have affected them, both of which from the point of view of our country are unwelcome. The most obvious is the substantial fall in the value of the pound since the end of 1975, a fall far greater than could possibly have foreseen in our most pessimistic mood but one which has had the effect of increasing the value of our overseas earnings. Equally important, and almost as regrettable, has been the sharp rise in interest rates in this country during the second half of the year. This has had a marked effect on the Clearing Bank, the extent of which was not wholly foreseen at the beginning of the year. But a weak pound and high interest rates with them problems for the future: the former is the biggest single handicap with which we, as an international bank, have to contend in a market in which we compete with rivals from the United States, Germany and Japan, all backed by strong currencies. So we would all prefer a strong pound at the expense of making our profits harder to earn. The unprecedented interest rates from which we have been suffering in this country have been caused partly by the Government's need to fund its deficit and we welcome reports that the Chancellor has announced that interest rates to fall during 1977. High rates cause difficulties in the lending field and have not helped our remaining customers who have yet to reach the shore. However, new provisions for 1976 are modest in relation to our support.

Inflation accounting is a subject which has had its full share of space in the newspapers and is an area where the banks must state their case. We fully support the proposals whereby the effect of inflation on companies' accounts is reflected in their Accounts. However, because our 'stock' is money, not goods or raw materials, the exposure draft leaves banks as the main industry whose accounts are virtually unaffected by the new system; all know that the current value of money is itself the measure of inflation and that holders of money are affected by inflation just as much—and perhaps more—than holders of any other asset. We cannot accept that what would be regarded as no more than adequate bank profits should remain unadjusted for the effect of the fall in the real value of trading stock and of our related capital, with all the resulting implications for taxation, price control and the evaluation of our performance. We have reason to hope, however, that steps will be taken during the next reporting period to reduce the impact of this anomaly.

Nationalisation

Although a great deal has been written already about the nationalisation of banks, I must inevitably add my own view, lest it be thought that silence infers indifference.

When one looks at the nationalisation of banks, the views of the three main bodies of opinion are apparent. These are the customers, which in effect means the public, our staff and our stockholders who, after all, are the present owners of the business. The views of our customers are well known and at least four-fifths of them leave the banks as they are and continue to permit themselves the opportunity to cross the road if they do not like the service they are getting, and transfer their accounts to a competitor. The Prime Minister, himself, has used the strength of this feeling when he spoke of bank nationalisation as an electoral albatross. The views of our staff are also quite clear and this has been confirmed by the National Union of Bank Employees and the Staff Association, which between them represent the vast majority of men and women who work for us. They have stated they do not favour the nationalisation of banks. That leaves the stockholders and, although regrettably their views are not always listened to nowadays, we believe that the 140,000 or so holders of Barclays shares are not likely to exchange them for a Government stock. They are, we trust, reasonably happy, partly because we have not made it necessary to call on them for more money in the form of a rights issue since 1961 and in those 15 years the value of their original investment has almost quadrupled.

We hear a great deal nowadays on the subject of the social responsibility of companies, particularly of banks. The impression sometimes gets about that these are immensely powerful organisations which have no object in mind, namely, to take as much profit as possible from countries in which their money is invested. There may have been isolated cases when such an impression was not without foundation, but our Bank has, we believe, invariably made a social contribution in the countries in which it has operated. As an example, in 1970, Barclays Bank International created a Development Fund into which it has transferred 1 per cent of after-tax profits each year amounting so far to £135 million. The money is allocated mainly in Third World countries to support projects which seem desirable on economic or social grounds but which would not attract finance if judged from a purely commercial standpoint. We do not expect a return on this money and, indeed, a great deal of it goes in the form of grants. The formula was based originally on the 1 per cent of GNP, later redefined as 0.7 per cent, which the nations were asked to set aside for the Third World. Even at this reduced level only two of the developed countries currently exceed the target and, regrettably, we in Britain are now down to 0.37 per cent. We recognise, however, the special problems faced by governments in maintaining aid programmes and it is clear that the private sector must do what it can to help. The Bank's Development Fund has supported well over one hundred projects and it is intended that these should play a pump priming role for subsequent development. As an example, in the Fund is making possible the employment by a local company of a specialist who, in eighteen months, has managed a programme which has brought into rice production some 9,000 acres of undeveloped land.

Southern Africa

As one of the 400 or so British corporate investors in South Africa we have frequently defended our position not to dispose of our investment. To do so would involve selling our holding in Barclays National Bank to a South African company. We cannot see how this could possibly help the Africans and it was encouraging to hear Mrs. Helen Suzman, a leading opponent of apartheid, confirm recently that withholding investment in South Africa would not change the present regime. Indeed we have been told by more than one independent source that our continued presence in South Africa has almost unanimous African support. We have not changed our view about the South African Government's apartheid policy which is morally and economically indefensible and it imposes unacceptable conditions on the majority of its citizens. There has been progress but it is much too slow and our duty as investors is to do what we can to accelerate that progress. It is a step in the right direction that Namibia (South West Africa) is to be granted full independence in 1978 and we hope the same can be said of Rhodesia, though at the time of writing the prospects of a peaceful transition seem to be receding. As soon as independence is granted, both in Namibia and in Rhodesia, we propose to form local subsidiary companies with, we believe, a proportion of the shares in due course held by Namibians and Rhodesians.

To trade as an international bank these days is not without its hazards and the Arab Boycott is a case in point. Although no less than 40 meetings of the Boycott Committee have taken place in the last 20 years, it is only recently that we have been under criticism and at their meeting in October, we were, we believe, placed on the list. We have never at any time had any form of direct communication from the Boycott Office in Damascus so it is difficult for us to state our case to the decision-makers and I will therefore try in this statement to do so. It seems to us that an international investor should base decisions on a long-term commercial strategy and should try to avoid the compromises which often stem from short-term and political considerations. Following the sequestration of our Egyptian operation in 1956 and the nationalisation in 1970 in Sudan, Barclays International had virtually no interest in the Middle East apart from Israel and our decision some four years ago to invest both directly and indirectly in Arab countries was taken as part of a long-term plan. Since then we have been granted permission to open branches in Abu Dhabi, Dubai and Sharjah and in addition we have invested \$5 million to take up a 50 per cent shareholding in Cairo Barclays International, our partners being the Banque du Caire. We have also opened a Representative's Office in Bahrain. Apart from these direct investments we have as a policy taken substantial participations in loans to Arab countries and our involvement has always been welcomed by the authorities who we feel sure have been aware of our long-standing presence in Israel which goes back some fifty years. Nevertheless, it is in the Arab countries that we have expanded and this policy has never at any time been criticised in Israel. In the last analysis, therefore, we are convinced that an international bank cannot submit to pressure of this sort and must work to support tolerance against intolerance. In this, we believe, we have the backing of many of our Arab banking friends.

Electoral Reform

Until about 15 years ago Bank Chairmen often indulged in the luxury of commenting on the affairs of the nation. Since then the general trend has been that of a shoemaker sticking to his last, so our report to our stockholders confined itself to the affairs of the Bank. During recent months, however, bankers and others have been criticised, not least by some politicians, for overdoing the policy of keeping their heads below the parapet. As the Chairman of what is probably the most far-sighted of our international competitors said recently, the theory of 'nolo contendere' is no longer good enough. Unless communications have completely broken down, a bank with some 2,500 branch managers up and down the country should have some idea of what ordinary men and women are thinking and saying and the clear impression we get is that people are willing to submit to altogether stronger medicine than that which has been given to them during the past year in three separate mouthfuls. The Prime Minister in a number of impressive speeches has warned of sacrifices and unpleasant measures but when the measures are announced they amount to much less than anyone expected. Horace got it about right when he said 'Parturient montes nascetur ridiculus mus'. A single mouse is clearly an understatement when applied to expenditure cuts of £1,000 million in the coming year, but the largest saving is on the capital side which only postpones the problem.

It may be that we are now suffering the consequences of a situation in which political considerations sometimes seem to take precedence over everything else and where it is arguable that the more extreme views within Parliament carry proportionately much more weight than they do in the country as a whole. For this and other reasons we are one of a number of companies which have subscribed to the National Committee for Electoral Reform. We do not expect miracles overnight but public opinion is clearly moving towards a system which reflects more accurately the view of voters as a whole and removes the risk, however remote, that when crucial decisions are taken, the interests of the two main political parties could take precedence over the interests of the country.

Future Prospects

It is never easy to peer into the future but there are obvious signs that we are moving towards a more comfortable balance of payments position, and a combination of the IMF loan and the 'Safety Net' for official sterling balances cannot fail to bring more stable conditions. The new investment which is so badly needed will probably have to wait until interest rates have fallen to more acceptable levels but there is a considerable cloud on the horizon in the shape of the number of people in this country who are anxious to work but remain unemployed. New investment will produce some new jobs in the short run but our long-standing problem of over-manning will mean, of necessity, that industrialists will endeavour to manage with less labour in the future. We learned in the 1930s of the distress caused to young people who had worked hard at school to obtain qualifications and who were quite unable to obtain any sort of job when they left. One can only hope that these days will not return but, during the next five years or so, this must be one of the major problems facing the Government. The economic state of the country inevitably has a bearing on the Bank's prospects, and whilst falling interest rates and a stronger pound may well make profits harder to earn, we hope that a general expansion of trade throughout the world will more than make up for this.

Staff

With the Group network now extending to over seventy countries, we are served by over 90,000 staff of many different races, backgrounds and creeds. This is the nature of an international bank and it means that we are united in a common purpose—the prosperity of the Barclays Group. Although we may never meet more than a very small number of our colleagues, it is this shared aim that binds us together. Those who criticise multi-national companies forget the part that they play in securing unity across frontiers where otherwise there might be little common ground. All those who lead such companies are conscious of, and indeed depend on, these special links. With these thoughts in mind I am sure stockholders would wish to join with me in thanking all the staff of the Barclays Group who have worked so hard during the past year.

Anthony Tuke

Anthony Tuke, Chairman of Barclays Bank Limited.

BARCLAYS



REGISTERED OFFICE: 54 LOMBARD STREET, LONDON EC3P 3AH. REG. NO. 48839.

Handwritten signature or initials in a box at the top right.

Serving the world with financial expertise. SANWA BANK Tokyo, Japan

INDUSTRIALS - Continued. Table listing various industrial stocks with columns for Stock, Price, and other financial metrics.

MOTORS, AIRCRAFT TRADES. Table listing motor and aircraft related stocks with columns for Stock, Price, and other financial metrics.

PROPERTY - Continued. Table listing property-related stocks with columns for Stock, Price, and other financial metrics.

TRUSTS - Continued. Table listing trust-related stocks with columns for Stock, Price, and other financial metrics.

TRUSTS - Continued. Table listing trust-related stocks with columns for Stock, Price, and other financial metrics.

MINES - Continued. Table listing mining stocks with columns for Stock, Price, and other financial metrics.

AUSTRALIAN. Table listing Australian stocks with columns for Stock, Price, and other financial metrics.

TINS. Table listing tin-related stocks with columns for Stock, Price, and other financial metrics.

MISCELLANEOUS. Table listing miscellaneous stocks with columns for Stock, Price, and other financial metrics.

NOTES. Table listing various notes and financial instruments with columns for Stock, Price, and other financial metrics.

TEAS. Table listing tea-related stocks with columns for Stock, Price, and other financial metrics.

INDIA AND BANGLADESH. Table listing stocks from India and Bangladesh with columns for Stock, Price, and other financial metrics.

SRI LANKA. Table listing Sri Lanka stocks with columns for Stock, Price, and other financial metrics.

AFRICA. Table listing African stocks with columns for Stock, Price, and other financial metrics.

MINES. Table listing mining stocks with columns for Stock, Price, and other financial metrics.

EASTERN RAND. Table listing Eastern Rand stocks with columns for Stock, Price, and other financial metrics.

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MINES. Table listing mining stocks with columns for Stock, Price, and other financial metrics.

EASTERN RAND. Table listing Eastern Rand stocks with columns for Stock, Price, and other financial metrics.

FAR WEST RAND. Table listing Far West Rand stocks with columns for Stock, Price, and other financial metrics.

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Unless otherwise indicated, prices and net dividends are in pence and denominated in pence. Estimated price/earnings ratios are based on the latest available figures.

A Sterling denominated security which includes investment dollar premium.

Dividend and yield based on prospectus or other official estimate. A Contd. Dividend rate paid or payable on part of capital cover based on dividend on full capital.

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INSURANCE

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PROPERTY

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REGIONAL MARKETS

Table listing regional market data with columns for Stock, Price, and other financial metrics.

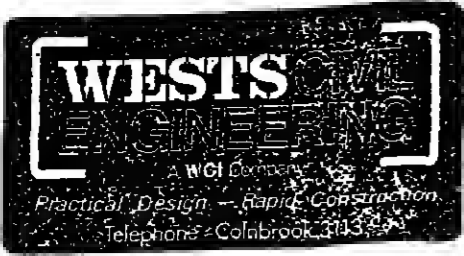
Table listing regional market data with columns for Stock, Price, and other financial metrics.

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OPTIONS

Table listing options data with columns for Stock, Price, and other financial metrics.

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We pay for steel until you need it

THE LEX COLUMN

Benn faces energy policy struggles

BY ROY HODSON

MR. ANTHONY WEDGWOOD BENN, the Energy Secretary, faces a number of new rows about energy policy...

As the pay pressure builds up ahead of the miners' July conference—a demand for a top rate of £155 a week is already on the agenda...

to mobilise again to oppose local incentives as a threat to the unity of the union. However, the national scheme has failed to produce any extra money for the miners since the first quarter it was in operation.

Conservationists may be given say in nuclear plant

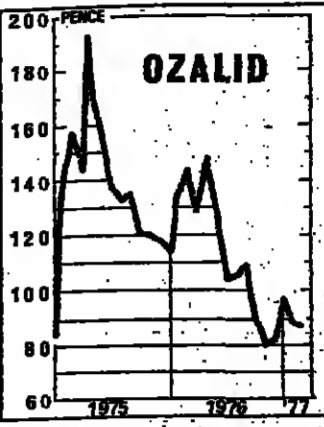
BY DAVID FISLOCK, SCIENCE EDITOR

PLANS to give environmental protection interests a say in the running of Britain's first big fast breeder reactor power station are circulating within the nuclear industry.

Dr. Tom Marsham, acting managing director of the U.K. Atomic Energy Authority's reactor group at Risley and an architect of the proposal, said he believed such an organisation would allay public fears raised by the Royal Commission, for example, that commercial pressure from the electricity industry could lead to a cutting of corners on public safety.

Ozalid: inadequate explanations

Considering the circumstances, the agreed bid by Oceana der Grincen for Ozalid has so far progressed remarkably smoothly. Control of a significant part of the U.K. office equipment supplies industry is about to pass overseas at a price which represents a large discount on net asset value...



panies operate seas, which was henceforth demand controls group is now so pre-tax for the month, which £37m. in 1975—at the top end of stations. The dividend plate surprise autumn, the secure official create this year nearly 100 per cent to facilitate a associated with So far the 1975 limited to come It is now clear to any group, less, the oil makes 80 of 90 profits overseas Incheape's end is covered by the forecast prospective view is plainly in the this morning...

Money supply figures expected to show third consecutive fall

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

A FALL in the money supply for the third month running is expected to be confirmed this week in the last major series of economic indicators before the Budget on March 29.

subject a move into surplus at as early a date in 1977-78 as some non-Government forecasters. The other indicators are more clear cut: the retail price index due on Friday, is likely to highlight the rise in both the underlying and annual rate of inflation as the higher import costs from last year's sterling depreciation work through.

Bulletin, both due on Thursday. The banking figures for the four weeks to mid-February, announced last Wednesday, indicated clearly that money supply on the wider definition (M3) would fall for the third month running. The total so far in the financial year is well within the range indicated by the forecast of an increase of 9.3 per cent. In the year ending mid-April.

Callaghan praises Carter's vigour

BY JUREK MARTIN, U.S. EDITOR WASHINGTON, March 13.

MR. JAMES CALLAGHAN told U.S. television viewers today, at the end of his visit to North America, that he had received a very high rating of U.S. economic growth.

On Concordia, it is arguable that Mr. Callaghan was seeking to distance Britain from the vehement French protests against threats of retaliation if Concordia is denied New York landing rights.

Labour Party move for special conference on European polls

BY PHILIP RAWSTORNE

THE LABOUR PARTY, split over direct elections to the European Parliament, is expected to raise demands today for a special one-day party conference on the issue.

of the party conference last autumn. The Prime Minister, however, told the committee's representatives that the Government would publish a White Paper later this month and repeated that it would "use its best endeavours" to meet the EEC's agreed target date of May or June next year.

lists of candidates. Labour candidates would be selected by a vote of party members in each region. Such a system would solve some of the problems that direct elections poses for the Labour Party, it has been estimated that it would win no more than 10 of the 81 seats if the "first-past-the-post" voting method were used in greatly enlarged constituencies.

Britons in Uganda face new threat

BY MARTIN DICKSON

FRESH FEARS for the safety of the 400 Britons and 240 American contingents aroused yesterday when the Government accused the two communities of sending false information out of the country and said it would put pressure on them to reveal the source of this information.

and Israel of hacking a plot to overthrow him. American contingents plan to escape via the sea. The pressure of refugees fleeing into Kenya from Uganda is becoming so great that the camp may have to be set up to house them. So far, the plan is unofficial, but Government sources say that something will have to be done to meet the situation.

Leyland £30m. short of target

secretary of the Transport and General Workers' Union and also a member of the NEB, is appearing for the unions rather than the Board. But strenuous attempts by the Department of Industry have so far failed to change the committee's decision that the session should be held in public.

for the group, led by Guest Keen and Nettifolds, are cutting their raw materials ordering programmes. More than half the content of a car is sheet steel, which has a limited storage life. To be suitable for panel pressing operations it has to be used within weeks of being rolled by British Steel, the only U.K. sheet maker.

Ministry accused Mr. Davies of the Singapore Home Affairs Ministry contained "lies" which were "grossly libellous" and that his magazine had consulted its legal advisers. Mr. Davies said in an earlier statement that he had sought the permission of the Singapore Government to publish in full his tape comments on his interview with Mr. Lee.

Singapore

Continued from Page 1. In his view the tape contained no comments which would embarrass Singapore's relations with its neighbours. Mr. Davies has offered to send a transcript of the tape to the Malaysian and Prime Minister.

Weather

U.K. TO-DAY SHOWERS, heavy and prolonged in W. and N.W., with some sunshine. All England except Lakes and N.W., Channel Is., Wales Sunny periods; showers, heavy in places. Max. 10-12C (50-54F).

Table with columns for location, temperature, and weather conditions.

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